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# ***Daily Report***

## **East Asia**

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# Daily Report

## East Asia

FBIS-EAS-95-032

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### **APEC Economic Cooperation Plan Proposed**

*OW1402130495 Tokyo KYODO in English 1235 GMT  
14 Feb 95*

[FBIS Transcribed Text] Fukuoka, Feb. 14 KYODO—Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum nations basically supported a new mechanism for promoting economic cooperation within the group, Japanese officials said Tuesday [14 February].

The mechanism was formally proposed by Japan, chairing this year's APEC session, during the second day of a senior officials' meeting in Fukuoka, northern Kyushu, on Tuesday.

"APEC members basically backed the framework of the new proposal," said a senior official at the Foreign Ministry said.

But he added that some parts of the proposal were questioned by APEC members. "We agreed to work for further improvement of the original scheme on the basis of constructive suggestions made on Tuesday," the official said.

The mechanism, called Partners For Progress (PFP), is designed to help achieve the APEC goal of transforming the Pacific rim region into a free trade zone by early in the 21st century, by reinforcing the economic foundations of developing countries.

Under the proposal, economic cooperation can occur on two levels—one among developing countries and the other in the form of advanced countries playing a bridging role in supporting cooperative programs among developed nations.

The official said some APEC nations raised the question of how the new mechanism would be linked with existing APEC programs for developing nations and bilateral aid schemes under the official development assistance (ODA) framework.

Behind the question apparently lies the view that APEC is not an organ just for promoting economic assistance.

Japanese delegates emphasized the need for APEC members to take a step forward not only in pushing for trade liberalization but beefing up economic cooperation within the group, another Japanese official said.

The official said Japan suggested setting up a PFP center at APEC's secretariat in order to put the new proposal to practical use.

The mechanism was first aired by Japan during the ministerial APEC meeting in Jakarta last November.

The ongoing senior officials' meeting is the first major APEC event since the second APEC informal summit in Bogor, Indonesia, last November.

The meeting aims to draft an action plan to help bring about a set of freer trade measures shown in the Bogor declaration.

The action plan will be formally adopted at the Osaka APEC session, which will culminate in the Nov. 19 third informal summit for leaders from the 18 APEC countries and territories.

Japan, as this year's APEC host, is required to take a leadership role in a series of APEC meetings prior to the Osaka gathering to map out a guideline for the action plan.

The Bogor declaration set out the 2020 goal of freeing trade and investment in all goods and services in the Asia-Pacific region, with advanced nations taking the lead by 2010.

Tuesday's meeting also covered the role of APEC's two advisory organs—the Eminent Persons Group (EPG) and the Pacific Business Forum (PBF), a private sector version of the EPG.

Led by U.S. free trade advocate Fred Bergsten, the EPG played a key role during the APEC Indonesian session in crafting a basic framework for the Bogor declaration.

APEC senior officials agreed that APEC will not entrust the EPG with politically sensitive issues in connection with the Osaka session, such as how to achieve the 2020 free trade goal, according to the Japanese officials.

The EPG came under fire from some APEC members last year as pushing too hard for free trade within the Pacific rim. But the Bogor declaration decided the body would remain in existence toward the Osaka session.

Some members proposed beefing up the institutional aspect of APEC but no consensus was reached, leaving efforts to materialize the proposal up to APEC meetings to be held later this year, said the Japanese officials.

With Tuesday's meeting, substantive talks for the Fukuoka session have virtually ended, the officials said.

Senior officials are charged with compiling a summary record for the Fukuoka meeting Wednesday.

On Thursday, a special APEC session will be held, also in Fukuoka, for free discussion on how to proceed with trade liberalization and trade facilitation, the most sensitive parts of the APEC agenda.

There are two more APEC senior officials' meetings before the Osaka gathering—one in Sapporo in July and the other in Tokyo in October.

### **Schedule of APEC Ministerial Meetings Set**

*OW1502003895 Tokyo KYODO in English 2302 GMT  
14 Feb 95*

[FBIS Transcribed Text] Fukuoka, Feb. 15 KYODO—Ministers from the Asia-Pacific Economic Cooperation (APEC) forum will hold a series of sectoral meetings prior to the APEC Osaka session in November, Japanese Government officials said Wednesday [15 February].



Accords to be struck in these meetings will be reflected in the Osaka APEC session, which in turn will prepare the ground for the Nov. 19 third informal summit of leaders from the 18 countries and territories, they said.

A meeting of APEC telecommunications and information ministers will be held in Seoul on May 29-30 while APEC transportation ministers will get together in Washington on June 12-13, the officials said.

They also said a meeting of APEC finance ministers is set for April 15-16 in Bali, Indonesia.

China will sponsor a meeting of science and technology ministers in Beijing on Oct. 5-6.

APEC ministers in charge of small and medium enterprises will meet in Canberra on Sept. 15., the officials said.

Labor ministers will hold a meeting on manpower issues in Manila early next year, they said.

#### **APEC Senior Officials Conclude Meeting**

*OW1502100995 Tokyo KYODO in English 0933 GMT 15 Feb 95*

[FBIS Transcribed Text] Fukuoka, Feb. 15 KYODO—Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum on Wednesday [15 February] ended the group's first major event for the year after vowing utmost efforts to craft a freer trade framework toward the Osaka gathering in November.

After the close of the three-day meeting of APEC senior officials in Fukuoka, western Japan, Hiromoto Seki, ambassador in charge of APEC, said during a press conference, "A strong sense of teamwork for achieving the Bogor goals has grown among our colleagues."

"In the wake of growing enthusiasm among APEC members for fostering the group further, we are ready to carry out administrative reforms on a global basis—removing impediments to free trade and investment," said Seki, who is serving as co-chair of a series of APEC high-level meetings before the third informal APEC summit on Nov. 19 in Osaka.

Speaking to a separate news conference, Sandy Kristoff, U.S. coordinator for APEC at the State Department, said she was "impressed with a new sense of energy among senior APEC officials." The latest meeting "laid the groundwork for getting us from the Bogor declaration to Osaka," she said.

The Fukuoka meeting marked the first major APEC event since the second APEC informal meeting in Bogor, Indonesia, last November, which set out the 2020 goal of lifting controls on trade and investment in all goods and services in the Pacific rim region.

Discussions in Fukuoka were devoted to drafting the so-called "action agenda," a guideline for an action plan for implementing a set of steps shown in the Bogor declaration.

The action plan will be formally adopted in a declaration for the Osaka summit.

During the latest meeting, delegates from the 18 countries and territories supported the concept of a new Japanese proposal for stimulating economic cooperation within the group, Japanese officials said.

But views were mixed on specifics of the proposal, leaving the fine-tuning to high-level talks in Sapporo in July, the officials said.

The Japanese scheme, called the "Partnership for Progress," is intended to help achieve the APEC 2020 goal not by tilting toward visible trade liberalization measures such as a tariff reduction but by beefing up the economic foundations of developing countries.

The proposal focuses on a new framework for economic assistance—advanced nations playing a bridging role in backing mutual cooperative programs among developing nations, for example.

An official at the Japanese Foreign Ministry said some APEC nations raised the question of how the new mechanism could be linked with existing APEC programs for developing nations and bilateral aid schemes under the framework for Official Development Assistance.

"The proposal was too vague to be fully understood," said the conference sources.

The U.S. State Department's Kristoff said the new framework should not lead to APEC merely being an aid organ. "Whether or not the Japanese proposal can fulfill its hope depends on if we can refine the proposal."

The APEC agenda consists of three major pillars—trade liberalization, trade facilitation, and economic and technological cooperation within the group.

A Japanese official said his delegates emphasized the need for APEC to give equal weight to the three aspects and other APEC members basically supported the idea.

Japan proposed launching a special APEC session after each senior officials' meeting to freely discuss the politically sensitive first two issues of how to proceed with trade liberalization and trade facilitation.

The first such meeting for "brainstorming" will be held in Fukuoka on Thursday.

The Fukuoka meeting also examined the role of APEC's two advisory organs—the Eminent Persons Group (EPG) and the Pacific Business Forum (PBF), a private sector version of the EPG.

APEC delegates agreed the EPG will not be charged with making suggestions toward the Osaka APEC summit on the politically sensitive part of the APEC agenda, especially on how to implement the 2020 free trade goal, Japanese officials said.



Led by U.S. free trade advocate Fred Bergsten, the EPG played a key role during the APEC Indonesian session in devising a basic framework for the Bogor declaration.

The EPG was criticized last year for pushing too hard for free trade within the Asia-Pacific region. But the Bogor declaration decided the body, along with the PBF, will remain in existence toward the Osaka session.

Kristoff said the EPG will continue to serve as an independent advisory organ for APEC and it will monitor progress in implementation of APEC measures.

Japan, chairing this year's APEC session, is required to show strong leadership.

There are two more APEC senior officials' meetings before the Osaka summit—one in Sapporo in July and the other in Tokyo in October.

Hidehiro Konno, chief of the Trade Ministry's economic cooperation department, who co-chaired the Fukuoka meeting, said, "We have reached a basic consensus on how to handle matters toward the Osaka APEC."

APEC Ambassador Seki said, "The road to reaching the goal may be tough."

#### **APEC Post-Forum Session Targets Trade Issues**

*OW1602061595 Tokyo KYODO in English 0033 GMT  
16 Feb 95*

[FBIS Transcribed Text] Fukuoka, Feb. 16 KYODO—Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum are holding a special session here Thursday [16 February] to focus on how to achieve trade liberalization in the Pacific Rim.

In a three-day meeting of APEC senior officials through Wednesday, officials from the 18 countries and territories decided to leave discussion on the politically sensitive APEC agenda to a special session.

The special session, proposed by Japan which chairs this year's APEC event, will also be held along with two more APEC high-level meetings set before the Osaka APEC summit in November.

The ongoing session is intended to clarify problems and difficulties involved in implementing a set of measures pledged by APEC leaders in their Bogor declaration in Indonesia last November.

The declaration set out a goal of shifting the Asia-Pacific area to a free trade and investment zone by 2020, with advanced nations taking the lead by 2010.

"A special session is a place for brainstorming," a Japanese official said.

According to Japanese Foreign Ministry sources, each APEC member is discussing ways to achieve free trade and investment in the APEC region based on a paper presented by Japan that itemizes possible problems.

The problems include the definition of liberalization, how to divide APEC nations into two groups, unification of standards and certificates, how to settle trade disputes and whether or not tariff rates should be applied to non-APEC members, the sources said.

The APEC agenda consists of three major pillars—trade and investment liberalization, their facilitation and economic cooperation within the group.

The first two issues are regarded as more difficult for APEC members to reach a consensus, reflecting differing economic development stages from one APEC nation to other.

The third issue of economic cooperation will be mainly handled at regular APEC senior officials' meetings.



**Japan****DA To Offer Deal for Return of U.S. Bases***OW1602080795 Tokyo KYODO in English 0605 GMT  
16 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—The Defense Agency plans to ask U.S. armed forces to return two disputed bases in Okinawa in exchange for offering alternative sites as a solution to scaling back military presence there, agency sources said Thursday.

Defense Agency Director General Tokuichiro Tamazawa will present the compromise plan when he travels to the southernmost island prefecture Friday to request cooperation from Okinawa Gov. Masahide Ota, the sources said.

Tamazawa also plans to visit Washington in May to ask for U.S. Cooperation, the sources said.

The agency has been discussing the issue with the U.S. Military, aiming to wrap up working-level sessions in April.

The issue will find major progress if the Okinawan side accepts the plan of offering alternative sites for the two bases—a naval base in Naha and a supplementary airport in Yomitan.

Okinawa has been calling for the return of all U.S. military sites by moving facilities out of the island.

The United States has already expressed its willingness to return the bases on condition that operations be moved to other sites. The U.S. Defense Department has also shown interest as a senior official reportedly promised an Okinawa official “efforts to settle possibly by June” when they met in Washington.

Under the plan, parachute drills will be conducted at Camp Hansen after the Yomitan Airport is returned, and a site on planned reclaimed land in Urasoe will be offered to replace the Naha naval base.

As for Okinawa’s demand to stop shooting drills that are conducted across a prefectural highway, the agency has asked the U.S. Forces to reduce the drills in Okinawa as much as possible by using nine shooting ranges used by Japan’s Self-Defense Forces in other prefectures.

Negotiations are under way as the United States is calling on Japan to pay for expenses to move shooting equipment.

Amid active lobbying activities by Okinawa officials, the issue for scaling back U.S. bases got a boost in January when U.S. President Bill Clinton vowed his commitment during talks with Japanese Prime Minister Tomiichi Murayama in Washington.

Given Murayama’s instruction upon his return, the Defense Agency established a project team in January.

**Officials Debate Release of Yen Loans to Iran***OW1602104395 Tokyo KYODO in English 1009 GMT  
16 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Japan has not yet decided whether to continue withholding 45 billion yen in official loans to Iran which were suspended last year at the request of the United States, high-ranking Foreign Ministry officials said Thursday [16 February].

“The matter is very sensitive and important so it is under serious and careful consideration,” a top ministry official said.

Another senior ministry official said Japan is currently maintaining the status quo of postponing the second installment of the 150 billion yen loan.

The final decision on whether to go ahead with the loans will be made at a high, political level, the official said.

Japan extended 38.6 billion yen to Iran as the first stage of the package in May 1994 to help finance construction of a hydroelectric power station in southwestern Iran.

The second installment was expected last summer. But Japan has been considering whether to give it after U.S. Government officials asked Tokyo to halt the aid, citing suspicions that Iran is involved in a number of terrorist incidents.

The LOS ANGELES TIMES reported Wednesday that Japan has recently told the U.S. it will delay extending the loan to Iran after U.S. officials supplied Japanese officials with “extensive intelligence about Iran’s activities.”

The top ministry official denied that Tokyo had told Washington its position on the loans.

The official, who spoke on condition of anonymity, said the Japanese Government was originally planning to make a decision on the loans by the end of January.

“We have various information (regarding Iran,)” the official said. “But we have to study the matter very carefully.”

The official cited the “lack of hard evidence” on Iran’s involvement in terrorist acts as one of the reasons Tokyo has not decided to halt the aid.

“If there is any evidence that substantiates Iran’s involvement in terrorism, we will halt the aid,” the official said.

But Japan considers it important to give aid to Iran so as not to isolate the country from the international community, he said.

**Obstacles for Foreign Financial Firms Discussed***952A0330A Tokyo KINYU ZAISEI JIJO in Japanese  
2-9 Jan 95 pp 60-63*

[Article by Ikuko Hashimoto, based on research conducted by STB Research Institute, an affiliate of Sumitomo Trust Bank]



[FBIS Translated Excerpt] From the results of our survey of foreign financial institutions and other foreign-owned companies, it is clear that the high costs and closed nature of the Japanese socioeconomic system have been significant obstacles to business expansion. While the Japanese market remains attractive, international business has begun to leave for Hong Kong and Singapore because of the closed socioeconomic system. Appropriate measures must be taken based on demands for reform both at home and abroad.

### Is "Globalization" an Illusion?

A sense of crisis about the "hollowing out" of the finance industry has recently come to the fore. While the ground has given way beneath the market in Tokyo, the status of Hong Kong and Singapore as international financial centers has swiftly risen.

Over the past two years, foreign securities firms have been closing branch offices in Japan and reducing the size of their staffs as part of a worldwide restructuring program. Last year, foreign banks started consolidating operations and closing branch offices. The number of foreign banks and branch offices, which had been increasing since the latter half of the eighties, have now begun to decrease. Several foreign securities firms have also resigned membership in the Tokyo Stock Exchange, intensifying the sense of crisis over the hollowing out of the finance industry.

The frequent use of the word "internationalization" during the heyday of the bubble economy remains a fresh memory. By luring foreign-owned companies to set up operations in Japan as a concrete expression of internationalization, expectations were raised both at home and abroad. Foreign financial institutions were featured as major players in the "international financial center" of Tokyo.

At the time, foreign-owned companies tended to expect high profits. Establishing operations in brand-new high-rise buildings in the center of Tokyo, their international image was matched only by their exorbitant office leases.

After two or three years, however, these foreign-owned companies relocated and reduced staff in order to substantially reduce expenses. This trend reflected a change in attitude about doing business in Japan. Foreign financial institutions soon followed suit. While not withdrawing from the Japanese market, they moved from exclusive buildings at the center of the Tokyo business district to other parts of the city. In their rush to relocate, it was as though a dike had broken.

### Foreign Financial Firms Downsize

Against this backdrop, the STB Research Institute conducted a survey of foreign financial institutions and other foreign-owned companies that ran from the summer of 1993 through the fall of 1994.

According to the results of this survey, the reasons foreign financial institutions gave for setting up operations in Japan were the "size and growth of its market" and "its importance as an international financial center." At the time they established operations, Japan appears to have been highly regarded as a market and Tokyo appears to have been highly regarded as an international financial center.

As for their current stage of business development, the percentage of financial firms "experiencing maturation" or "curtailing operations" is high compared to other industries. While more than half of manufacturing and non-manufacturing industries are "in the process of expanding operations," this is true of only 26 percent of the finance industry. A trend toward lower expectations for the Japanese market can be deduced from their experience of doing business in Japan.

Why has the attractiveness of Tokyo declined? Respondents pointed out the difficulties they encountered while attempting to develop business in Japan. Looking at the results of the survey, the greatest difficulty indicated by all industry types was "office leases." While they have taken measures to reduce this cost over the past two or three years, it is apparent that they remain a substantial financial burden.

Looking at the whole picture, high costs represented by "office leases" and "middleman fees" appear to have been aggravated by the socioeconomic system itself with its "complicated licensing and investigatory procedures," "closed business practices," and "complex distribution system." Most respondents from the finance industry listed "high office leases" as their greatest difficulty, followed by "complicated licensing and investigatory procedures" and "closed business practices." These results are clearly a criticism of the lack of freedom in the Tokyo financial markets.

This survey, moreover, did not address problems such as the scarcity of lawyers and accountants versed in international financial practices, and the difficulty of conducting everyday business in English, the international language. These surely must be impediments to international financial operations in Tokyo.

### Office Costs Curtailed

Office leases are representative of costs in general, which skyrocketed during the period of the bubble economy. As mentioned earlier, this was the top difficulty of all industries. In the finance industry, this difficulty was indicated by 78 percent of the total.

Because these companies established their new operations in landmark buildings at the center of the financial district during a time of skyrocketing land prices, it can be safely concluded that the cost of their leases must have been substantial.

As a result, 55 percent of these companies have reduced the cost of their leases over the past two or three years.



Based on surveys conducted in July 1993 and September 1994, the average unit cost of a lease has dropped 10,000 yen per *tsubo* [36 square feet]. The finance industry has undergone a remarkable restructuring in office management.

Leases have until recently been fairly high, and most home offices are now demanding reductions. The results of our survey indicate that 61 percent of their Japanese subsidiaries intend to lower these costs.

There are other office problems besides high lease payments. Their growing dislike of security deposits, terms for vacating offices, and owner-designated interior redesign is obvious. These criticisms, moreover, were given as examples of "over-regulation."

In the latter half of the eighties, when foreign financial institutions entered the Japanese market, there was a shortage of office space in the center of the city. It was a period of skyrocketing office leases, and the range of office choices was limited. As a result, these companies were inevitably burdened with exorbitant office leases. The real estate market, however, has changed over the past few years, and foreign financial institutions should be able to reduce office costs. During the period of the bubble economy, the "Tokyo Triangle" between Otemachi, Kabuto-cho and Uchisaiwai-cho was transformed while outlying areas were ignored. While many new financial institutions have congregated in Minato ward, some banks and securities firms have left the three wards at the heart of the city (Chiyoda, Chuo, and Minato) for Ebisu in Shibuya ward. Many have broken with convention in their search for a suitable location to establish a new office.

Across all industries, foreign-owned companies intend either to increase or maintain the size of their Japanese staffs. Over 32 percent of financial institutions, however, intend to reduce the size of their foreign staffs. Most plan to transfer them to Hong Kong or Singapore. This figures alone is hardly encouraging when it comes to the "hollowing out" of the finance industry.

#### Japanese Market Still Attractive

In the survey, however, those who said Tokyo's importance as a financial center would "increase" in relation to Hong Kong and Singapore, surpassed those who said it would "decrease."

Among those industries expressing a desire to establish new operations in Japan, the finance and insurance industries appeared to be the most optimistic. Recently nine securities companies from six nations (South Korea, Singapore, Canada, France, Britain, and the United States) announced plans to establish new operations in Tokyo. While some foreign securities companies are leaving Tokyo for Hong Kong or Singapore, others are arriving to take their place.

This group of new entries is specializing in areas where there is greater independence, such as the buying and

selling of high-volume Asian stocks. The business strategy of these companies has clearly moved away from the development of a full range of financial services for the Japanese market.

Until recently, this reduction in operations on the part of foreign financial institutions was regarded as symbolizing the "hollowing out" of the finance industry in Japan. In reality, it points to the fundamental problem of restricted freedom in the over-regulated Japanese market.

Despite this restricted freedom, some foreign financial institutions have merged their securities and banking operations and have demonstrated their technical strength as a combined unit by increasing the size of their staffs. Other institutions, which offer special services that are superior to those of Japanese financial institutions, are expanding aggressively. As stated earlier, another group of institutions also appears poised to enter the market. These financial institutions are still strongly attracted to the large Japanese market despite its many regulations.

In conclusion, while the overall trend toward a hollowing out of the finance industry appears to be accelerating, the individual efforts of these companies may lead to a renewal of the Japanese market.

#### Socioeconomic Reform

The collapse of the bubble economy exposed the high costs and closed nature of the Japanese socioeconomic system. Foreign investment is less than one-tenth the size of domestic investment. Because of this imbalance, foreign pressure has increased to encourage more investment in Japan. Meanwhile, attention has shifted to Hong Kong and Singapore which both compare favorably to Tokyo. English is the official language of business in both of these cities, which also have enthusiastically adopted a Western-style socioeconomic system. Competition is heating up between low-cost Singapore and high-cost Hong Kong.

In Japan, where a hollowing out of the finance industry has been revealed, reforms of the socioeconomic system have gradually been enacted. The Tokyo Stock Exchange, for example, has relaxed the requirements for listing foreign issues, and the financial futures exchange has lowered its trading fees.

Because of the size of the Japanese market, it still command the attention of the world. Several foreign financial institutions intend to enter the market or expand operations. Whether or not the hollowing out continues, whether or not Tokyo is regarded as a truly international financial center, whether or not regulatory and tax reforms prove adequate, Japan will remain under foreign and domestic pressure to move from a socioeconomic system that obstructs international financial trading to one that encourages it.



### Ministry Weighs Extra Budget for Reconstruction

OW1602122395 Tokyo KYODO in English 1157 GMT  
16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—The Finance Ministry is considering compiling a second fiscal 1994 supplementary budget of more than 1 trillion yen for urgent measures to help reconstruct areas of western Japan devastated by the Jan. 17 earthquake, ministry officials said Thursday [16 February].

The ministry will raise total spending on emergency quake measures in the extra budget to about 1 trillion yen to cover the reconstruction of public facilities, building of temporary housing, and the disposal of debris in quake-stricken Kobe and its vicinity, the officials said.

The proposal to increase the budget was made in response to growing calls from among the ruling coalition parties for the government to show a positive stance toward early restoration of the damage caused by the great Hanshin earthquake, they said.

The ministry also intends to add some 30 billion yen in special grants to Hyogo Prefecture and other local governments affected by the quake, they said.

On the revenue side, tax revenues are likely to fall by more than 600 billion yen because of an expected drop in corporate taxes from quake-hit companies and income tax cuts or exemption for quake sufferers retroactive to 1994, they said.

To make up for the revenue shortfall, the ministry plans to issue public bonds worth about 1.6 trillion yen—construction bonds worth some 800 billion yen and deficit-covering bonds of around 800 billion yen, they said.

It will also shelve a reduction in grants to local governments—worth nearly 200 billion yen—considering the severe financial condition of local governments, they said.

Usually, a certain portion of national tax revenues is allocated to local governments as tax grants, for example, 32 percent of income and corporate taxes, the officials said.

If tax revenues drop by an estimated 600 billion yen or more due to the earthquake, such tax grants would be cut by some 20 billion yen, they said.

Earlier in the day, the ministry reported the outline of the second supplementary budget to Prime Minister Tomiichi Murayama, they said.

Murayama instructed the ministry to proceed quickly with compiling the budget so as to relieve quake victims as soon as possible, they said.

### Government To Launch Emergency Response System

OW1602101695 Tokyo KYODO in English 0958 GMT  
16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—The government will launch a new system Friday [17 February] to make its response to emergencies as fast and effective as possible, a spokesman said Thursday.

The establishment of the system follows the government's allegedly slow response to the deadly earthquake in western Japan on Jan. 17, Deputy Chief Cabinet Secretary Nobuo Ishihara said at a news conference.

The system calls for the building of a communications and information network to link the prime minister's official residence with government ministries and agencies so that the details of emergencies can be grasped easily, particularly at the initial stage.

It also features the 24-hour stationing of officials in charge of responding to natural disasters at the cabinet information research office as well as strengthening of the cabinet's functions.

In the event of an emergency, a helicopter equipped with a video transmitter, under the control of the defense and national police agencies, will be flown to gather first-hand information on the situation, Ishihara said.

A receiver for the pictures from the helicopter will shortly be installed at the premier's official residence, he said.

Prime Minister Tomiichi Murayama has been under fire for his supposedly flawed handling of the aftermath of the quake which hit the port city of Kobe and its environs last month.

### Automatic SDF Role in Natural Disasters Urged

OW1602085195 Tokyo KYODO in English 0653 GMT  
16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Hyogo Gov. Toshitami Kaihara urged the Defense Agency on Thursday [16 February] to consider automatic deployment of Self-Defense Forces (SDF) contingents in future natural disasters, officials said.

"I hope that national consensus will allow for the creation of an emergency deployment system in major earthquakes," Kaihara was quoted as telling Defense Agency chief Tokvichiro Tamazawa.

When the powerful earthquake hit Kobe and its surrounding areas before dawn Jan. 17, SDF personnel stationed nearby did not send large troops until hours later, when they finally received a request from the governor.

The central and prefectural governments have come under fire for their failure to immediately mobilize the military for emergency relief.



Tamazawa, however, told Kaihara that SDF deployment should depend on a request from a disaster-hit municipality in the future, too. The present SDF law requires a request from the governor concerned to send SDF troops for disaster relief operations.

"We hope that the municipalities for their part make efforts to improve their communications systems and their drills with the SDF," he was quoted as telling the governor.

Kaihara, who is on his first visit to the capital since the devastating quake, said the prefectural government is giving priority to disposing of debris and restoring water supply. He urged that the SDF continue their work in Hyogo Prefecture, the officials said.

The governor also expressed gratitude on behalf of the quake victims for the SDF support in relief and reconstruction efforts.

In response, Tamazawa said the troops will "do their utmost in providing assistance" and developing efficient response to deal with any further damage from strong aftershocks.

#### **Sakigake Policy To Stress Nonmilitary Role**

*OW1602090095 Tokyo KYODO in English 0831 GMT 16 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—New Party Sakigake, the smallest of Japan's three ruling coalition partners, has drafted a platform of policies supporting the current constitution and stressing the importance of Japan's nonmilitary international contribution, party officials said Thursday [16 February].

Sakigake (Harbinger), headed by Finance Minister Masayoshi Takemura, and a splinter group of the dominant coalition member Liberal Democratic Party, announced its basic political ideals when it was formed in June 1993, but has not published detailed policies.

The draft platform calls for the establishment of "green peacekeeping operations" through which Japan could make positive contributions to coping with such global issues as environmental protection, the looming exhaustion of natural resources, and the world's exploding population.

The draft also calls for increased democracy and openness in Japanese politics and administration.

It says ministries and agencies should be reorganized, administrative reform should be promoted through deregulation, and the functions and facilities of the prime minister's office should be strengthened.

The organization of the premier's office was severely criticized for its slow and ineffective response to the great Hanshin earthquake last month.

The draft is scheduled to be adopted at a meeting of the party's policy-making committee next week, the officials said.

#### **Takemura Changes Stand on Administrative Reform**

*OW1602001695 Tokyo ASAHI SHIMBUN in Japanese 14 Feb 95 Morning Edition p 2*

[First part of a two-part series entitled: "Murayama Administration's Failure in Reforming Special Public Corporations; Finance Minister's Plan"; this installment entitled "Giving Priority to 'Ministerial Benefit' While Keeping in Mind 'Post-Murayama Administration'"]

[FBIS Translated Text] "It may sound strange to you that, although I called for an administrative reform, I could not approve it. But..."

This is what Masayoshi Takemura, finance minister and representative of Sakigake [Harbinger], has been saying everywhere he went since 11 February when an agreement was reached to delay a decision on the merger of government-funded financial institutions.

#### **Principle Offender in Crushing the Merger**

Takemura had been insisting "I have no intention of staying in this administration if reform cannot be realized." Nevertheless, he opposed the merger of the Japan Development Bank [JDB] with the Japan Export and Import Bank [JEIB]. It turned out that he played the role of principle offender in "crushing the realignment plan." Sakigake's image of promoting administrative reform has faded considerably.

What created a serious gap between Takemura and the Executive Department of the Liberal Democratic Party [LDP], which, together with Sakigake, supports the Murayama administration? The action Takemura and Sakigake took [in opposing the merger plan] is a mystery.

As soon as the LDP proposed a merger between the JDB and the JEIB, which are the Ministry of Finance [MOF], Sakigake made a counterproposal on realignment of the three finance corporations—the People's Finance Corporation, the Small Business Finance Corporation, and the Environmental Sanitation Business Financing Corporation. At a glance, it seems like a proposal which shows Sakigake's zeal for administrative reform. To the LDP, however, it appears that "by rejecting the plan to merge the two banks, [Sakigake] tossed us a counterproposal which is unacceptable to the LDP." The LDP is saying that Sakigake made the counterproposal knowing the LDP would strongly oppose realignment of the three financing corporations, which have strong ties with industrial circles and are called a "hotbed for Diet members who represent the interests of particular industrial sectors and lobby for them."

"When they proposed a merger of the three financing corporations, we thought they were trying to crush the



LDP proposal." "Sakigake is a ghost-like party." At a 13 February meeting of the LDP Financial Research Council, criticisms aimed at Sakigake poured out one after another.

#### **Distrust of Takemura's Inclination for the Winning Horse**

Originally, some LDP members had complex feelings about Takemura. After seceding from the LDP, he joined the Hosokawa administration and thereby made the LDP turn into an opposition party. But, he played the role of stage conductor by freely using his connections with members of both the LDP and the Social Democratic Party of Japan [SDPJ] including Tomiichi Murayama and former Prime Minister Noboru Takeshita. Eventually, Takemura won the post of foreign minister. Some LDP members still have a smoldering sense of distrust for Takemura, saying: "Takemura always rides a winning horse."

As regards its opposition to the plan to merge the JDB and the JEIB, Sakigake explained: "We cannot say that we plunged a scalpel into the special public corporations unless we promote reform by hurdling the barriers between ministries and agencies." Despite this, there is always something inarticulate in Takemura's speech and behavior.

Sakigake incorporated a plan, designed to privatize the JDB, in its draft plan prepared last summer for reform of special public corporations. However, in mid-January, when senior MOF officials expressed their opposition to the privatization of public corporations, Takemura reportedly backed down without reserve, saying: "Now I understand that it is difficult to privatise the public corporations."

During the Hosokawa administration, Takemura took a stand against the national welfare tax concept, which the MOF tried to introduce by teaming up with Ichiro Ozawa, (then) representative secretary of the Japan Renewal Party. Cooperating with the SDPJ, Takemura killed this concept. Regarding the issue of reviewing the special public corporations, however, measures, which Takemura introduced in line with the MOF's intention, stand out.

#### **Sign of Weakening Centripetal Force**

Regarding the changes in Takemura's stand, some members of the ruling and opposition parties are of the view that "probably, he began to think about the 'post-Murayama administration.'" It is believed that Takemura will become one of candidates to succeed Prime Minister Murayama if he should come to realize the limits of his ability for staying in power and decide to resign his post. Because of this, Takemura tried to avoid deterioration of his relations with the MOF, which is a key ministry for administrative management. Meanwhile, Takemura reportedly agreed to cooperate with

former Prime Minister Takeshita, who has strong influence in the MOF. Some people interpret this as a strategy aimed at the "post-Murayama administration."

On 11 February, Takemura expressed his strong hope for the SDPJ to outgrow its former self, saying: "The SDPJ, as far as its policies are concerned, is closest to Sakigake. I hope the entire SDPJ will start moving toward formation of a new party soon." He held a meeting with SDPJ Secretary General Wataru Kubo on the evening of 13 February.

To Takemura and others who formed Sakigake after seceding from the LDP, returning to the LDP means surrender. It seems that Takemura thinks that to maintain the right to speak in the political world, he has no choice but to form a political "hub" that is neither LDP nor New Frontier Party by attracting the SDPJ to his side while at the same time maintaining cooperative ties with the MOF.

Such a "calculation" by Takemura indicates that the Murayama administration's centripetal force has begun to lose its power. An independent action by Takemura—who can be called a bond between the LDP, which shouldered the "1955 regime of Japanese politics," and the SDPJ—and Sakigake will be understood as a "yellow light" for the future of the Murayama administration.

#### **LDP Moves To Break Up Export-Import Bank**

*OW1602113195 Tokyo KYODO in English 1113 GMT  
16 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Key members of the governing Liberal Democratic Party (LDP) agreed Thursday [16 February] to push for dividing the functions of the Export-Import Bank of Japan, controlled by the Finance Ministry, as part of efforts to streamline government corporations, party officials said.

The members urged that the bank's functions be divided between Japan Development Bank and the Overseas Economic Cooperation Fund.

Those at the meeting included Yohei Kono, president, Keizo Obuchi, vice president, Yoshiro Mori, secretary general. International Trade and Industry Minister Ryutaro Hashimoto also attended.

On Saturday the government failed to iron out differences over proposed streamlining of state-run financial institutions and postponed a decision until the end of the current 150-day Diet session in mid-June.

The LDP, the largest of the three coalition parties, has pushed for a merger of Japan Development Bank and the Export-Import Bank of Japan, both of which are under the control of the Finance Ministry.

Finance Minister Masayoshi Takemura, head of New Party Sakigake [Harbinger], has proposed combining Japan Development Bank with Hokkaido and Tohoku



Development Corp., which is under the jurisdiction of the Hokkaido Development Agency.

However, the heads of the three ruling coalition parties agreed Tuesday the need to draw some conclusion on the the issue by the end of fiscal 1994 on March 31.

### **Editorial Urges Continuing Corporation Reform**

*OW1502144895 Tokyo MAINICHI SHIMBUN in Japanese 14 Feb 95 Morning Edition p 2*

[Editorial: "Do Not Temporize by Juggling the Numbers"]

[FBIS Translated Text] Under the abolition and streamlining plan for special corporations, it has been decided to abolish or privatize three corporations, and merge 14 corporations. Prime Minister Tomiichi Murayama has staked his cabinet's fate on the success of this program. However, it has been decided to shelve the review of government-affiliated banking institutions, the main point at issue, until after the unified local elections in May.

Regrettably, according to our evaluation, the package is unsatisfactory. None of these steps will sharply reduce spending. It can be said the program will be implemented simply to manipulate the numbers.

Although he has officially promised to "complete the review by the end of March," Murayama has failed to take effective measures. He desperately lacks leadership, and is largely responsible for the results.

It can be said that administrative reform is inseparable from the rise in consumption tax. As has been repeatedly pointed out, the campaign for administrative reform started because of the common belief the government should try to streamline itself if it wanted to increase people's financial burden.

The reform mainly aims to correct the evil influence of bureaucratic sectionalism, and to rebuild the administrative system befitting the present situation by streamlining the overgrown bureaucracy. Abolishing and streamlining the special corporations is the first step to achieving this goal.

However, the results have failed to meet people's expectations. In the name of "coordination," the government and the ruling parties acted out a slapstick comedy routine until they reached a conclusion. It was simply disgraceful behavior.

Senior ruling party officials maneuvering to win the presidential election of the Liberal Democratic Party [LDP], scheduled to be decided this autumn, and become "Murayama's successor"; discord between the LDP and Sakigake [Harbinger Party], which supports the idea of "promoting administrative reform" as party policy under the leadership of Financial Minister Masayoshi Takemura; and the opposition of bureaucrats who are wary of any reduction in job opportunities in the

special status corporations—these complicated factors and calculations made the coordination confused.

Undoubtedly, the confusion results from the fact that the government and the ruling parties have forgotten the ideals and goals of special corporation reform, and have become involved in political strife throughout the period of coordination.

One of the points which has failed to meet our hopes is the review of government-affiliated banking institutions. It surfaced during the final phase of coordination, but eventually discussion of it was postponed.

We strongly demand that the review of government-affiliated banking institutions not be shelved because there are several organizations whose tasks have been achieved or almost fulfilled.

Several reform plans to unify the following organizations have surfaced: the Japan Development Bank [JDB] and the Export-Import Bank of Japan; the JDB and the Hokkaido-Tohoku Development Finance Corporation; and the People's Finance Corporation, the Small Business Finance Corporation and the Environmental Sanitation Business Financing Corporation. However, eventually, these plans were scrapped in the course of political struggles among the political parties.

The other problem is the fact that although a total of 17 corporations will become subject to abolition, privatization, and integration, close examination shows that streamlining effects are highly unlikely.

For example, Social Development Research Institute, which is under the control of the Ministry of Health and Welfare, will be the only corporation abolished. Only 23 employees work for this corporation. If the Japan Raw Silk and Sugar Price Stabilization Agency and the Livestock Industry Promotion Corporation were merged, they would continue to conduct the business they are currently engaged in, with the result that only one position would be lost, that of executive director. It is no more than a simple change of corporation names.

In its "first proposal on administrative reform," which was issued recently, Shinshinto [New Frontier Party] suggests several concrete plans—such as the enactment of the "Sunset Law" aimed at reviewing all special corporations within five years, and the idea that 70 percent of executive positions should be cut in any integration.

The government and ruling parties say they will radically review the special corporations and the system for fiscal investment and loans, which provides funds to government-affiliated corporations. Shinshinto's proposal will help the review. Special corporation reform should not stopped at this stage.



**\* Political Future of Nobuo Ishihara Outlined**

952B0096A Tokyo SENTAKU in Japanese Jan 95 pp 126-129

[FBIS Translated Text] "I have never thought of anyone else's name besides Mr. Ishihara's in terms of a successor and that feeling remains unchanged even now."

With Tokyo Municipal Governor Shunichi Suzuki, who is set to retire after his current term, offering the name of Deputy Chief Cabinet Secretary Nobuo Ishihara as a candidate for the gubernatorial election, attention in the political realm is being focussed on Ishihara's activities. Calls from Kanagawa Prefecture's political world to "become governor of Kanagawa Prefecture" are also on the rise.

Although officially, Ishihara himself is persistently saying "no comment" on the matter, he has already communicated to Prime Minister Murayama his intent to step down as deputy chief cabinet secretary. It is viewed that he will resign prior to the convening of the ordinary Diet session on 20 January to begin preparation for the election. There is no doubt that he will surface as the most promising candidate for the gubernatorial election.

**At One Time Even Called "Shadow Prime Minister"**

Since assuming the post of deputy chief cabinet secretary at the start of the Takeshita administration in November 1987, he has served a total of seven prime ministers—the other six being Uno, Kaifu, Miyazawa, Hosokawa, Hata, and Murayama—so his unbroken term in office is the longest at seven years and two months.

Although it appears that a renewal of that long record will finally come to an end, it could be said that this "era of Deputy Chief Cabinet Secretary Ishihara" has been epoch-making, both in terms of its length and quality, in the history of the cabinet secretariat.

The deputy chief cabinet secretary is the highest post in the bureaucratic realm that governs the vice minister of each ministry and agency. Moreover, Ishihara, as the fountain of wisdom of the prime ministers of the past, has managed the official residence. The fact that Ishihara, who some have even hinted was a "shadow prime minister," is talked about is indicative of a closing in on the true image of the deputy chief cabinet secretary that up to now had hardly been discussed.

The deputy chief cabinet secretary had led an ordinary existence up to now as a background player in the cabinet. However, that image has been totally altered by Ishihara. Actually, deputy chief secretaries who originally were bureaucrats number a total of 13 in the 18 administrations from the Hatoyama administration to the current Murayama administration, including Governor Suzuki and former Deputy Prime Minister Masaharu Gotoda, but the speech and behavior of none of them attracted as much attention as Ishihara during their tenure in office.

Ishihara commutes each morning by train from his residence in Yokohama City's Midori District to the prime minister's official residence. Aiming to catch him during this brief commute, reporters assigned to the official residence, referred to as being on the "Ishihara watch," attempt to get stories. Excluding the prime minister, the number of reporters surrounding him each morning is probably the greatest, even exceeding that of the secretary general of the ruling party in terms of number.

The journalists fire off rapid volleys of various questions from longstanding issues on domestic and foreign politics to the outlook on the Diet.

A rule has become established between Ishihara and the reporters covering him that they will "not intrude into his home" and "not speak to him while his is on the train." The only times that reporters may ask questions is the time between the taxi drop off point near his home at Azamino Station of the Tokyu Denen city rail line and the time he boards the train and the time from when he gets off the train until he gets into the hired car waiting for him at the station. Be that as it may, the reason that reporters from approximately 10 newspaper and television companies meet him each morning is that there are not a few times when unexpectedly big news has come out of those brief exchanges. The source of news items that are published as "A government source has revealed that..." in the evening newspaper is often from these morning statements made by Ishihara.

Ishihara indicates a fine spirit of service, saying, "In order to have them report in a correct manner, I supply background explanations as much as possible." Compared to his predecessors, such as Shoichi Fujimori, currently Imperial Household Agency chief, who carefully selected their words even for idle conversation, the boldness of his statements are enough to surprise. Of course, there are political statements that are merely bogus leaks aimed at guiding the flow of reporting from time to time.

There are also slips of the tongue. In October 1993 when the investigation of general contractor corruption was in progress, Ishihara let it slip to the morning circle of reporters that "I think the possibility of this having repercussions for Diet members is slim. There is no job authority to catch them."

In the evening issue of the paper that day, this was reported widely as an "outlook of a government source." The Justice Minister at the time was Akira Mikazuki, who was appointed from the private sector. Immediately, he held a press conference and expressed strong displeasure, saying, "The perception of the government source (meaning Ishihara) and the prosecutor's office are different." Because the prosecution was steadily focusing its investigation on former Construction Minister Kishiro Nakamura, it gave the appearance of "government intervention in the investigation."



### **Abundant Network of Connections That Supported the "Strong Man"**

When one picks up a newspaper article that takes up Ishihara, one notices such descriptions as "shadow prime minister" and "the prime minister's fountain of wisdom." Why does he enjoy such high esteem in Nagatacho?

Paragraph 14 of the Cabinet Act provides that the post of deputy chief cabinet secretary is "to assist the chief cabinet secretary." In contrast to the post of deputy chief secretary of Diet affairs, which is filled by lower house members and who is in charge of Diet policy etc., the deputy chief secretary assists the cabinet secretary in a coordinative capacity between each ministry and agency on the policy front. Ishihara has left an impressive record in his capacity as coordinator.

In particular, Ishihara's skills were suddenly bathed in the limelight since the inauguration of the Kaifu administration.

Just after the start of the second Kaifu cabinet in March 1990, it turned out that the official residence would have to come to the foreground and coordinate between all the ministries and agencies concerning the U.S.-Japan Structural Impediments Initiative talks for the purpose of easing economic friction, and Ishihara was ordered to prepare the government's proposal. Although this is ordinarily something that would be managed by the chief cabinet secretary, Chief Cabinet Secretary Misoji Sakamoto, who belonged to the Komoto faction, was uninformed concerning policy and did not have the capability of controlling bureaucrats. For this reason, Ishihara called executives from each ministry and agency to the official residence one after the other and firmed up the Japanese Government's policy in facing the structural talks. In the Nakasone cabinet, it was Chief Cabinet Secretary Gotoda who was in charge of this role.

Ishihara has played an extremely crucial role in preparation of the UN Peacekeeping Cooperation Law and creation of Japan's contribution strategies, among other things, since the outbreak of the Persian Gulf crisis in August 1990.

One cabinet counselor at the time attests as follows: "The prime minister, chief cabinet secretary and others were at a loss about what to do and all they did was to listen in silence at the conferences they themselves had called. As for the bureaucracy, the Foreign Ministry and the Defense Agency were at odds, so there was no specific progress being made. Amid that state of affairs, Mr. Ishihara assembled the vice ministers from the Foreign Ministry and the Defense Agency in the deputy chief secretary's office at the official residence and, piece by piece, worked it out while exchanging vigorous arguments late into the evening."

Ishihara has also been present during critical times in political situations. In the autumn of 1991 in response to

the determination to withdraw the Political Reform Bill, on the day that then Prime Minister Kaifu revealed his "momentous decision" of not resigning even if the lower house is dissolved, Ishihara worked through the night preparing a list of bureaucrats whose discharge was likely to become necessary because they were opposed to dissolution. Looking back, Ishihara says, "That was the most stressful time."

In the Miyazawa administration, which succeeded the Kaifu administration, because Miyazawa and Chief Cabinet Secretary Koichi Kato and others were well acquainted with the work at the official residence, Ishihara rarely surfaced. Subsequently, however, with the Hosokawa, Hata, and Murayama administrations, talk of the "shadow master of the official residence" in reference to Ishihara once again increased. Among those administrations, approximately two weeks from Hosokawa's announcement of resignation until the start of the Hata administration, Ishihara was in charge of all the actual duties of administration and filled the political void. It was at this time that "Prime Minister Ishihara" was whispered throughout Kasumigaseki.

When one analyzes the background in which Ishihara was able to display his presence to this extent, three points can be named as key elements: The "increase in policy issues where comprehensive coordination was required," "dramatic upheaval in the political situation" and Ishihara's "abundant connections."

Among those, due to the fact that the global conditions surrounding Japan was undergoing an upheaval, it could be said that the necessity for policy coordination between numerous ministries and agencies steadily increased. Even in the relationship between Japan and the United States alone, the U.S.-Japan economic framework talks became a longstanding issue in the Miyazawa, Hosokawa, and Hata administrations after the Structural Impediments Initiative talks, and the Foreign Ministry as well as MITI and the Finance Ministry were pressed to adjust their handling strategies.

In addition, Japan's positive participation was necessary in creating a peaceful global order after the end of the Cold War between East and West, and there has been a rapid increase in issues requiring adjustment between the Foreign Ministry and the Defense Agency in such questions as UN Peacekeeping Operations (PKO). It is for this reason that Ishihara's turn came more often than in the past.

The vigorous fluctuations in the domestic political situation is the greatest reason for Ishihara's exceptionally lengthy term in office. Says Ishihara, "Although I thought the Takeshita administration would last three or four years, it collapsed in a year and a half. And the ensuing Uno and Kaifu administrations endeavored to be extensions of the Takeshita administration." After that, each tried to extend its term in office: With Miyazawa, it was "let us stay in power until the PKO Bill is finished"; with Hosokawa, it was "until political



reform passes"; and with Hata, it was "until the minority ruling party government stabilizes."

The request was made from Murayama's Social Democratic Party of Japan [SDPJ] government in a hotel near the Diet building early in the morning of 30 June 1994, immediately after the election to name the prime minister.

It is said that Murayama persuaded Ishihara in this way: "Because the Liberal Democratic Party [LDP] and SDPJ, whose policies have been significantly different up to now, are going to join forces in a coalition, management of the government will become difficult. Will you, with your long experience in cabinet management, assist us even if it is just until the administration gets on track?"

Among the previous deputy chief cabinet secretaries, the total of four who had served multiple prime ministers were Eiichi Tanaka in the three administrations of Hatoyama, Ishibashi, and Kishi; Minoru Ishioka (both the Ikeda and Sato administrations); Hiromori Kawashima (both the Tanaka and Miki administrations); and Kyujiro Okina (both the Ohira and Suzuki administrations). However, in addition to that, true to the principle of "not serving two masters," when prime ministers and the cabinet change, the deputy chief cabinet secretaries also change. Therefore, serving seven prime ministers as Ishihara has is as about as extraordinary as can be.

Due to the advent of the coalition government, compared to the era of sole administration by the LDP in which the Policy Research Committee chief and subcommittee chief played the role of coordinator, the fact that there was an increase in opportunities in which the prime minister's official residence must perform a comprehensive coordinating function is also one reason we have always been told that "even if the prime minister changes, Deputy Chief Secretary Ishihara cannot be changed."

Abundant connections have also become a support in Ishihara's "strength." Especially, one must not overlook the solid connections he has with New Frontier Party Secretary General Ichiro Ozawa, Gotoda, and others.

With Ozawa, he formed the combo of "Home Affairs Minister Ozawa and Home Affairs Vice Minister Ishihara." In the Takeshita administration, when Ozawa was deputy chief secretary of Diet affairs and Ishihara was deputy chief executive secretary, they often exchanged visits to each other's business offices which were located next to each other in the official residence.

After the fall of the Takeshita administration, Ozawa became secretary general in the Kaifu administration. He held considerable influence as acting chairman of the Takeshita faction up to a certain point in the Miyazawa administration as well. Further, in the two coalition governments of Hosokawa and Hata, he occupied the

nucleus of the ruling party representative conference. For Ishihara, it was possible to work in a privileged environment during the majority of his more than seven years in his job while soliciting cooperation from the influential Ozawa. Ishihara frequently contacted Ozawa by phone from his business office for consultation.

Ishihara's "assessment of Ozawa" is as follows: "Once an objective is determined, he proceeds unwaveringly without compromising. He does not make apologies concerning the results. He also has foresight, and I believe that his temperament as a politician is excellent."

More than prime ministers and chief cabinet secretaries of the times, there is no doubt that his three-legged race with Ozawa made Ishihara's capabilities loom larger than they really were. However, the relationship with Ozawa has also become a cause for receiving backlash from the LDP side in the selection of candidates for the municipal governor's election, and some say "Ishihara is one of them (on Ozawa's side)."

Another influential connection, Gotoda, is a senior of the Ministry of Home Affairs bureaucrats. It was Gotoda in the first place who, just prior to the inauguration of the Takeshita administration, telephoned Ishihara directly to order him to take the post of deputy chief secretary, saying, "I want you to come to the official residence the day after tomorrow (cabinet organization day) and bring your morning clothes."

Even subsequent to that Ishihara has received Gotoda's guidance from time to time. In addition, he has deep connections at every strategic point in the political realm with the likes of Takeshita and Finance Minister Take-mura, who was his junior in the Ministry of Home Affairs, among others.

#### **Also Provides Input in Cabinet Member Personnel Selection**

There is no shortage of episodes that bespeak what a "big time deputy chief secretary" Ishihara is. One example would be his accompanying the prime minister on overseas trips.

Historically, the one from the official residence accompanying the prime minister in his overseas excursions has ordinarily been the deputy chief secretary of Diet affairs. The deputy chief secretary of Diet affairs attends the prime minister's conferences and takes notes on the content of the conference and also is in charge of explaining to the press corps. The only time prior to Ishihara when an exception was made and a deputy chief cabinet secretary accompanied the prime minister on an overseas trip was in September 1978 when Kunihiro Dosho accompanied Prime Minister Fukuda on a trip to four Middle Eastern nations. Ishihara has already experienced more than four of these singular trips with the prime minister. Each of those times was when Takeshita and the other prime ministers in office during their terms ordered Ishihara to accompany them as a token of recognition of his services.



There was even a time when his promotion to chief cabinet secretary was rumored. From the middle of February 1993 until the beginning of March when Hosokawa scrambled to shuffle his cabinet with the change of (then) Chief Cabinet Secretary Masayoshi Takemura as the chief objective, the first person to whom Hosokawa made an offer as a candidate for Takemura's successor was Ishihara. Ishihara declined and, ultimately, the reorganization was put off. Although the first instance of being promoted from deputy chief secretary to chief cabinet secretary did not materialize, it is telling of the intensity of the trust that Hosokawa had in Ishihara.

Conversely, there is also a case where Ishihara's recommendation had a significant impact on determination of the chief cabinet secretary. This happened with Chief Cabinet Secretary Kozo Igarashi. Initially, Murayama's confidant SDPJ Diet Policy Committee Chairman Koken Nosaka (currently construction minister) was considered to be promising. However, Ishihara made a strong case and persuaded Murayama, saying, "Igarashi is the man. He has a sense of balance, and he handled the LDP well while he was Hosokawa's construction minister. With him as a spokesman we can put our minds at ease."

Concerning the job of deputy chief cabinet secretary, a person with experience as chief cabinet councillor, who supports the deputy chief secretary, points out, "It has the dual role of being a bridge in realizing the ideals of the prime minister and chief cabinet secretary and handing them down to the administrative agencies as well as to apply the brakes when realization of the prime minister's and chief cabinet secretary's ideas will be difficult when viewed from the bureaucratic standpoint. It is a question of whether he can neatly carry this out or not." Moreover, he says "Because this is an age when administrations change right and left and 'change' and 'reform' have become fashionable words that no one can go against, I think it is Mr. Ishihara's duty to tell the prime minister, 'That must not be changed.'"

There is no doubt that Ishihara himself frequently stresses "administrative continuity" because he takes just that point of view. Ishihara is "symbolic of the continuation of the era of reform," and there is an aspect in which he softens the uneasiness of the people with respect to politics.

At the same time, however, if "administrative continuity" is over-stressed it will have the effect of putting the brakes on reform and policy conversion and abuses will result. During the Hosokawa Administration when Ozawa advocated the plan of placing several Diet affairs councilors in each ministry and agency, Ishihara was adamantly opposed.

Also, on the issue of military comfort girls, he cautioned, "If compensation is given from the national standpoint, it will have repercussions on the issue of the people who were forced to go to China." On the Minamata disease

issue he asserted, "An erosion of administrative confidence would occur if the recommendation for an amicable settlement is accepted because it would mean a denial of patient acknowledgement that was made at the request of a third party agency."

Although it is Ishihara's pet argument that "bureaucrats say what they should say as technocrats, but they must ultimately obey what politicians decide," it cannot be denied that there is frequently a tendency with Ishihara to put precedence on protecting the interests of bureaucrats because he is in the position of being an spokesman of the bureaucratic structure.

#### **A Symbol of the "Era of Bureaucratic Guidance"**

It is viewed as a certainty that Ishihara's successor will be Teijiro Furukawa, former health and welfare permanent vice minister. It appears that the deputy chief cabinet secretary personnel selection rule that an old boy bureaucrat formerly of the Ministry Home Affairs will be followed next time as well.

However, it is not as though this successor can immediately become an influential deputy chief secretary like Ishihara. A Ministry of Home Affairs permanent vice minister old boy says, "In the case of Mr. Ishihara, the number of years that he was in the ministry greatly exceeded that of the vice-ministers of all the other ministries and agencies and he also had a winning personality. It is unlikely that the next deputy chief secretary will manage the way Mr. Ishihara did."

When the Hosokawa administration set forth the national welfare tax plan, the Finance Ministry stopped short of explaining to Ishihara. There is a good probability that these types of cases will increase for the deputy chief secretary who succeeds Ishihara.

Having said that, there is no doubt that in the future policy issues in which comprehensive coordination that will be the responsibility of the deputy chief secretary will increase. Gotoda, during his days as chief cabinet secretary, discerned this administrative trend and grappled with strengthening the cabinet secretariat beginning with the establishment of the two deliberative offices for external and internal policy. However, it was the finding of the third administrative reform council that even that was still insufficient.

Ishihara's presence, which took on added weight, is also symbolic of politics that is guided by bureaucracy. It could be asserted that radical revision of official residence functions including the nature of "bureaucracy" and "politics" and new strategies for strengthening are becoming a pressing need.

#### **Sakura Bank's Asia Network Nearing Completion**

*952A0321A Tokyo GINKO JIHYO in Japanese Jan 95 pp 109-111*

[First in a series of articles on the strategies of Japanese commercial, long-term credit banks in Asia by Haruo Kurahashi: "Sakura Bank Completing Network of Operating Bases in Asia"]



[FBIS Translated Excerpt] Taking the Lead in "Age of Asia"

Sakura Bank's network of overseas operating bases is nearing completion. In Asia, with its strong potential for growth, this network is multilayered. Not limiting itself to branch offices, the bank has also relied on joint ventures and local investments to build up the layers. Underscoring this network building, Masao Umemura, senior managing director and head of Sakura Bank's Asia division, calls it one of his bank's "distinguishing accomplishments" that this Asia branch network is now in the process of being completed. [passage omitted]

There is growing recognition of India's importance. Sakura Bank, which already has a branch office in Bombay, has led the field and given itself an edge in developing an India strategy.

Although growth is expected in this region, as Umemura notes, "Not too much attention has been paid to India in the past because of cultural differences and its distance from us geographically." "With the current trend toward liberalization," however, he says, "India has begun to open its markets. Increasingly, the Indian Government sees Japan as important in this effort. The level of awareness among Japanese-affiliated enterprises is also increasing. Sakura Bank is responding to these needs, working with the Indian Embassy, for example, to sponsor seminars. Taking advantage of our lead in establishing a Bombay branch, we are expecting to set up a system of high-level financial services."

In this so-called Age of Asia, Sakura Bank's branch offices are each developing services in their respective localities to accommodate the current move toward liberalization.

By filling gaps in its branch network—in the Philippines, for example, where it has no branch office, relying on the Far East Bank (in which it has a 12.3-percent share), and in Indonesia, the Indonesia Sakura Bank (85-percent ownership)—Sakura Bank is building a service network that will encompass the entire Asia region.

Despite Indonesia's being a country of many very strict regulations, Sakura Bank has been able to provide a good balance of services and is developing strategies to cope with delays in the way information is handled in the private sector as well as with the need to give serious consideration to risk management.

According to Umemura, "The Asia region has shown remarkable long-term growth. There is much more faith in the various economies in the region. Along with that improved image, there has been a major move to liberalize its financial and capital markets." "There is no way," says Umemura, "that this trend can reverse itself."

The process of liberalizing Asia's financial and capital markets has already begun. Concrete signs of this trend can be seen in China's acceptance of foreign banks, in

Thailand's BIBF [Bangkok International Banking Facility], PIBF [Provincial International Banking Facility], and Malaysia's markets in Labuan. Just as in the case of the Philippines, where doors are being opened to foreign banks, the wave of liberalization is moving forward so swiftly and unfalteringly that nothing seems to be able to stop it.

In Korea's case, one sees quite a different set of circumstances. As in the case with Japan, Korean enterprises are expanding into other parts of Asia and the hollowing out of its industries at home is being watched with concern.

"Sakura Bank," Umemura says, "is encouraging business with Korea's industrial conglomerates—*zaibatsu*—and aggressively supporting the regional expansion of Korean enterprises."

This means crops will be harvested at other operating bases. Instead, Sakura's Seoul branch is quite active as an information "transmission base."

When banks expand overseas, it is the same as when they open new branch offices at home. Each time it is like setting up a new bank. Before making such a move, they have to study where or into what regions client companies are expanding and develop their strategy accordingly. There are deep, historical ties between Japan and the countries of Southeast Asia which have been forged through trade and other such contacts.

Most Japanese-affiliated enterprises, while nurturing the growth of their own industries at home, have also developed business activities accommodating the situation in their respective host countries in an Asia now pursuing an open door policy. Firms that are partners in mergers with these Japanese-affiliated enterprises have grown as a result of these activities during more than a decade of economic growth. Their expansion and growth now makes it possible to conduct so-called bankable business with them. This is one of the reasons that significantly more business than before is being conducted with trading partners and firms that have become partners through mergers.

Sakura Bank is the type of bank that has made many such business connections in Japan, and it is taking advantage of this trait to broaden its customer base, including in it Japanese-affiliated corporate clients. This can be said to be a significant characteristic of the Asia strategy that is evolving.

#### Responding to Various Needs

The emphasis—in terms of what is needed in financial services in Asia—is not only on traditional commercial banking services but also on greater diversification in terms of financial derivatives and securities and on the use of financial approaches employed in the United States and Europe as well as on financial consultants and advisory services.



"Because there has been a long period of high-level growth," says Umemura, "the demand for funds is very strong. U.S. and European enterprises—and, of course, Japanese enterprises—can all be seen as factors behind this growth. Every region is putting its energy into building and improving its infrastructure and actively promoting import replacement projects like large-scale domestic oil refining. With European and U.S. banks entering these countries, the competition for Japanese banks has heated up."

Sakura Bank has responded to the situation by turning to its local Hong Kong subsidiary, Sakura Finance Asia (a company whose main business is arranging securities and project financing and syndicated loans), aggressively using it as one of its mainstays for the development of investment banking services. Since the same services are being provided through Sakura Merchant Bank (in Singapore), it has developed a "two-pronged" response that includes both Singapore and Hong Kong.

Sakura Global Capital Asia, a company newly formed in Hong Kong this July by Sakura Global Capital, a local U.S. subsidiary dealing in swaps, has begun handling derivatives and currencies like the Thai baht, for which there is said to be no method of hedging against losses, as well as the Indonesian rupiah, Hong Kong dollar, Malaysia dollar, and Singapore dollar. By establishing this firm, Sakura Bank has set up a system that is tied to investment banking, thus making it possible to offer financial commodities.

Japanese-affiliated enterprises have conducted business in places like Hong Kong, Thailand, and Malaysia over the course of many years, and have grown to the extent that some are now even listed on local stock exchanges. Here, too, Sakura Bank is developing a strategy.

For example, its Sakura Finance and Securities firm (10-percent ownership) in Thailand has developed services to support the listing of securities and is already producing results in this area.

Sakura Finance Asia, which was mentioned earlier, is providing support, in the form of sponsorship, for the underwriting of securities. In Malaysia, Sakura Bank is also setting up a system that will enable D&C Sakura Merchant Bank (20-percent ownership) to provide similar underwriting support.

#### **Operating Bases Active All Over Asia**

The above outlines Sakura Bank's Asia strategy, one of the most striking illustrations of which is found in the case of Thailand.

Setting up a network capable of providing comprehensive financial services in Thailand, Sakura Bank has part ownership in the previously mentioned Sakura Finance and Securities Co. as well as in Bangkok Sakura Leasing (10-percent ownership), which is in the leasing business,

and Bangkok Sakura Software Service (10-percent ownership), a company that is responding to the need for computerized accounting systems as enterprises expand and develop.

Besides D&C Sakura Merchant Bank, holdings in Malaysia also include Sakura's Development and Commercial Bank (8.8-percent ownership). Additionally, the bank has two of its Japanese staff working in Malaysia. Not limiting itself to the usual services offered by commercial banks, it has become a "consulting partner," especially in securities-related matters like listing securities for client companies.

Hong Kong, a country with few regulations, is fertile ground for a wide scope of financial services and has well developed financial and capital markets, which are second only to those of New York, London, and Japan. It is not an exaggeration to say fund exchange transactions are concentrated both here and in Singapore.

Since local enterprises are expected to continue to mature and reach a high level of growth while also serving as a window to China, economic activities in Hong Kong are expected to continue to show vigorous growth. Hong Kong is thus a country where one finds many projects and a demand for increasingly sophisticated, high-level financing.

Responding to this demand one finds Sakura Finance Asia, the longest-standing firm in Asia with experience in the syndication of securities, loans and project financing. On the basis of IFR calculations, it has the top securities underwriting record of any firm and, as one might expect, last year was involved in two major underwriting projects. China is now undergoing its third boom. As a window to China during this remarkable period of development, it is sure to grow even more in importance. Sakura Global Capital Asia, also in Hong Kong, is dealing in swaps.

Along with Hong Kong, Singapore is one of two markets handling securities, project financing, and syndicated loans, and, in that sense, it is enjoying the spotlight as Asia's "second-largest market."

Partly because of government support, the Singapore market is growing, and like Sakura's Hong Kong bank, Sakura Merchant Bank (in Singapore) is flourishing and is now in the midst of upgrading personnel in order to create a stronger role for itself. Sakura Bank, which also has a local Singapore subsidiary, Sakura Financial Futures, is stepping up its activities in the futures area.

Sakura Bank's strategy with regard to China is to enter by way of Hong Kong. Overseas Chinese enterprises, which play a key role in Hong Kong, are developing along many fronts, and there is a strong demand for funds. Given the brisk outlook for China due to these overseas Chinese activities, the bank's plans are to complete its branch network and aggressively move forward in providing information and financial services to clients.



In China, where one of the major thrusts will be to "develop Shanghai's financial markets," Sakura Bank intends to formulate a strategy, says Umemura, that will enable it "to increase its business dealings with other clients besides Japanese enterprises."

It is said the 21st century will be the Age of Asia. The direction Sakura Bank has taken is to develop more fully its network of operating bases and set up a system in Asia that will enable it to offer comprehensive financial services.

#### **JVC Plans Audiovisual Plant in Mexico**

*OW1502143695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Feb 95 Morning Edition p 12*

[FBIS Translated Text] The Victor Company of Japan, Ltd. [JVC] plans to set up an audio-visual (AV) equipment production base in Mexico, hopefully next spring. JVC plans to set up a fully-subsidized company to produce chassis and other major television components. JVC's investment is expected to amount to several billion yen. This is the first time that a Japanese firm has announced plans to advance into Mexico since the Mexican peso crisis surfaced in January. Since the North American markets are important to JVC, the company has determined that production in Mexico would be advantageous in light of the North American Free Trade Agreement (NAFTA).

JVC is currently picking out the location for its new production facilities and plans to start construction of the factory as soon as a site has been selected. The company plans to hire 500-600 employees to work at the new factory, which will begin monthly production of about 30,000 television chassis hopefully next spring.

The manufactured chassis will be shipped to JVC's factory in the United States where television sets are assembled. JVC plans to discontinue its previous practice of shipping chassis to the United States from Thailand and switch to completely supplying the required amount by sending chassis manufactured in Mexico. The company also plans to reinforce television assembly lines at its production base in Thailand to respond to the growing demand for television sets in Asia.

Japanese AV manufacturers, one after another, have advanced into Mexico to set up their production bases there for manufacturing products to be placed on the North American markets. With its marketing strategy targeting the North American markets, where the annual demand for television sets, video tape recorders (VTR's), and other AV equipment is said to be three times as large as that in Japan, JVC feels that it can maintain a leading edge by keeping production costs down.

#### **NTT Develops Technology for Faster Neurochips**

*OW1602121695 Tokyo KYODO in English 1125 GMT 16 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—NTT LSI laboratories said Thursday [16 February] it has

developed technology to enable neural network chips to process signals up to 30 times faster.

The laboratory of Nippon Telegraph and Telephone Corp. plans to apply the technology to a system for instantly locating trouble in a switchboard when it malfunctions due to an earthquake or other causes.

Neurochips mimic human neurons which produce special signals when the total amount of incoming signals rises above or falls below a set value.

NTT researchers have devised a "synapse" method of calculation which can judge whether the total signals received by a neurochip will reach the set value—at the same time as the signals are being processed.

The method is combined with another one which operates only when the set value changes.

The combination of the two methods sharply reduces the number of calculations required and so enables neurochips to process pattern recognition and other signals as fast as supercomputers.

The development of the technology was reported to the Institute of Electrical and Electronics Engineers Inc.'s international solid state circuits conference being held in San Francisco.

#### **Development of Kansai Science City Assessed**

*952A0314A Tokyo NOMURA SEARCH in Japanese Dec 94 pp 42-45*

[Article by Shunji Taniguchi, chief researcher and Akira Yamauchi, staff researcher; Regional Development Business Department, Kansai branch office, Nomura Research Institute]

[FBIS Translated Text] The Kansai Cultural and Science City, a project rivaling the massive Kansai projects of the Kansai International Airport and the Great Akashi Straits bridge, opened its doors in September 1994, nine years from the start of construction. Although the pace of firms locating there has abated due to the aftereffects of the collapse of the bubble economy, beneficial results are being yielded early on from among research institutions that have already set up shop there.

In contrast to the Tsukuba Research Institute City, city creation is advancing under the leadership of the private sector, and, as a result of some soul-searching after having placed supreme importance on science and technology, this project promises to become a unique science city in that it will target culture and the humanities as well.

As a milestone in the period of defining the cities that have been advanced up to now, attention will be focussed on Kansai Science City as it embarks on its second stage and whether it will be able to instill life as a city that will befit the initial idea.

#### **Outline of Kansai Science City**



Construction of the Kansai Culture and Science City (henceforth referred to as Science City) is in progress on a hilly, 15,000-hectare region that straddles the three prefectures of Kyoto, Osaka, and Nara. Along with the Kansai International Airport that opened in September 1994 and the Great Akashi Straits Bridge that is scheduled to open in 1998, it is being positioned as one of the three massive projects that will lead Kansai in the 21st century.

Originating with the "New City Concept" proposed in 1978 by an informal discussion group chaired by Kyoto University Honorary Professor Higashi Okada, the city opened its doors on 23 September of this year after the National Land Agency's fundamental plan in 1982 and the official announcement and coming into force of the law to promote construction of the Kansai Cultural and Science City in 1987. The city is set to take on its general form at the beginning of the 21st century and aspires to achieve city construction that will enjoy longevity.

Because unsightly residential development was not accepted due to the policy of the Kyoto prefectural governor for the original Science City target region, there were undeveloped land holdings of residential and city-maintained corporations and major private developers scattered about. Focussing on these kinds of areas, it is the previously mentioned "New City Concept" that tried to construct new research cities. Since lands that were candidates for development were dispersed in the target regions, the initial research city aspired to be the so-called "cluster type."

In the Science City, 12 "culture and science research districts" within the 15,000-hectare target region have been established with a total area of 3,300 hectares (equivalent to approximately 700 Tokyo Domes). This scale exceeds the 2,700 hectares of Tsukuba Academic Research City by as much as 20 percent. Compared to Tsukuba, which became home to as many as 47 national institutions that are being constructed under national leadership, construction in the Science City is being advanced privately, and its national institutions number only four, including those that are in the planning and conceptualization stages. Also, because it is under private leadership, the pace of firms locating in the Science City has slowed as an aftereffect of the period after the collapse of the bubble economy, so the status ratio based on the number of facilities is currently about 30 percent.

#### **The Impact of the Science City**

The special feature of the Science City, in addition to the point of being privately led in this way, is the construction concept of endeavoring to achieve a fusion of natural sciences, humanities, and Eastern and Western cultures. For instance, the "International Advanced Research Institute," which opened in autumn 1993 and could well be called the core of the Science City, is a unique research institution that took up the noble concept of researching the happiness of humankind and invited Nobel Prize-winning scholars the world over to stay for long-term research.

Also, research institutions concerned with human organizations, global environment, etc., are locating there, such as the "International Telecommunications Basic Technologies Research Institute (ATR)," more than 20 percent of whose researchers are foreigners. It performs basic research on automated translation, human perception systems, advanced function elements, etc. The "Global Environment Industrial Technologies Research Institute (RITE)" conducts research on stabilization techniques for CO<sub>2</sub>, which is considered to be a cause of global warming.

Further, in the future, such organizations as the "National Comprehensive Arts Center (tentative name)" which will become a base for artistic culture and the "National Cultural Properties Organization (tentative name)" are being planned as well, suggesting the possibility of becoming a base for transmission of culture and the arts.

In this way, because the Science City is in the process of accumulating unique research institutions in various fields and not just being confined to high-tech, it is generating expectations of "not knowing what is going to develop in the future." As if in response to these expectations, exchange between research institutions that have located there is intensifying.

In the Science City, by means of exchange of research and development in differing industry types, there are firm concentration areas being prepared on both the Kyoto prefecture side and the Nara prefecture side that are attempting to grapple with development of new products and new services. On the Kyoto prefecture side, 13 companies, including Sekisui House Housing Research Institute "Nattoku Kobo," "Nijomaru-hachi Ceremony Research Institute," Fukujuen CHA Research Center, etc., are locating in a "High Touch Research Park," and on the Nara Prefecture side, a "Narayama Research Park" is being readied consisting of seven companies, including Daiwa House Industries, Sanrin Somen Yamamoto, Kuretake Seishodo, etc. All the locating firms are industries that are intimately connected to lifestyle, and it is anticipated that these research exchanges will mean that new lifestyle proposals will be made.

There are also examples to be seen of the beginning of exchanges between firms that have located independently. For instance, because there are more than 30 researchers on "Natural Language Processing" in the Science City, researchers at ATR, National Nara Advanced Science and Technology University Graduate School, and Matsushita Electric Industries Central Research Institute who have begun to grapple with joint development of automated translation machines, etc.

Also, at the "Keihanna [Kyoto-Osaka-Nara] Plaza" exchange base equipped with a hotel and lab (research) building, "workshop management meetings" have been convened more than 50 times as the research body of the industry-university cooperation, and more than 10



research associations have been born. Further, October of last year saw the beginning of the "Keihanna Salon Exchange Association" in which local residents may also participate.

It is hoped that these research and development functions and cultural learning information transmission functions of the Science City will qualitatively alter the Kansai industrial structure and the lifestyle of the citizenry in the future. Expectations for the Science City are not confined to inside the Kansai region. Gifu and Ishikawa Prefectures have set up information gathering bases inside the Science City and are attempting to make use of its research results to energize firms inside the prefecture.

#### **An Undertaking Toward the 21st Century; A Next-Generation Telecommunications Network Experiment**

Another endeavor that anticipates the 21st century in the Science City is the "Next-Generation Telecommunications Network Utilization Experiment" that started in July 1994. It is an experiment to utilize multimedia in households and a business utilizing experiment by means of the "Next-Generation Telecommunications Network Experiment Council (BBCC)" and "Next-Generation Telecommunications Network Utilization Advancement Council."

BBCC is a volunteer group established in the Science City which is based on participation by 175 private firms and seven groups, including the Kansai financial world, Kyoto Prefecture, Osaka Prefecture, Nara Prefecture, etc. PNES [Association for Promotion of Next-Generation Network Services] is a support organization for experiments in the practical use of communications and broadcasting services whose members include the Ministry of Posts and Telecommunications and private firms such as NTT and others.

The objective of experiments by the BBCC are the compilation of future multimedia service know-how, technical assessments and dissemination and edification about new services. As such, it has five themes common to its members, such as "environmental imaging research," "research on remote multiple origination multimedia conferencing," among others, and 12 targets for separate research themes, such as "satellite electronic editing printing research," "research on multimedia communications sales using electronic catalogs," "electronic library research," etc.

Further, by making the start of these experiments and times the same, BBCC experiments attracted the attention of many people including people overseas because the meeting hall of all International Telecommunications Union (ITU) committee meetings and the "Keihanna Plaza" were connected by means of fiber optics.

Meanwhile, in the "Next-Generation Telecommunications Network Pilot Project" under the leadership of

PNES which is performing services for households by FTTH (fiber to the home), three years of service since July 1994 has begun for participants in 300 households in one region of the Science City. The main content of those services include "television conferencing/television telephones," "video on demand," etc.

Contrary to initial fears about software insufficiency among other things, the experiments by PNES that cover cooking, shopping, train and bus schedule guides by video on demand are popular and it is thought that these have considerably penetrated into the lifestyle of households that use them.

In this way, experiments in multimedia services have already acquired a certain degree of high regard from users and due to the fact that there is an accumulation of project know-how and the fact that new participation in experiments is also possible, one can appreciate that the level of appeal this holds for firms, which will attempt to utilize multimedia services in the future, would be quite high.

New endeavors toward the 21st century from these experiments in the Science City have been yielding steady results and the stage is being prepared for it to become a transmission base for new multimedia services.

#### **Themes for the Second Stage**

Construction began on the Science City in October 1985 and it aims to take on a general shape in the beginning of the 21st century. This year with the opening of the Kansai International Airport and 1,200th year since construction of the Heian capital, a milestone in the building of the Science City was the holding of a two-month city-opening event called the "1994 Keihanna Science City Festival" beginning in September. Also, in the same period, the National Land Agency established a "Second Stage Plan Promotion Committee" (committee chairman, Michio Okamoto, International Advanced Research Institute director) for the purpose assigning targets in the city's construction for the next 10-year period.

It is said that the opportunity that led to the science city concept was the "limit to growth" of the Rome Club that appeared in 1969. In contrast to the warnings of the arrival of a crisis of human existence in the first half of the 21st century due to the frenzied advance of science and technology, there is a feeling of self-reflection in the desire to construct a research base that is capable of contributing to the future and happiness of mankind. This is the point of origin of the Science City. In contrast to that ideal, the first half of the nine years up until this point was in the context of the bubble economy, and the project was strongly tinged with a real estate investment coloring centered on residential development. During the latter half, it has felt the impact of a slowdown in private firms locating there as result of the collapse of the bubble economy. Although the International Advanced



Research Institute which is the city's core facility is a foundation and depends on private contributions, due to the recession following the collapse of the bubble economy, adequate private donations could not be collected and only approximately 7 billion yen of the final target of 50 billion yen could be acquired.

Also, a future task of the Science City is the improvement of transportation infrastructure along with improvement in lifestyle facilities such as medical care, shopping, etc. Although it is situated 10 kilometers from Nara City, 30 kilometers to the cities of Kyoto and Osaka, making the distance to the city centers shorter compared to Tsukuba, the capacity of existing roadways is small and traffic jams are becoming chronic. New construction, including widening of roadways, "a second Kyoto-Osaka highway", etc., is in demand. Even regarding railways, the demand for transportation to central portions of Osaka is expanding along with the increase in the ordinary population, and the promotion of construction of a "new Kyoto-Osaka-Nara line" connecting the Kintetsu Ikoma Station and Takanohara Station is desired.

In the second stage, enrichment of the cultural function befitting of the name of Kansai "Cultural" Science City will be indispensable. From that point of view, it is necessary to encourage the establishment of the planned National Comprehensive Arts Center and the National Cultural Assets Organization. Also, the Science City has been mentioned as a candidate as a location for a third campus for mainly the independent graduate school and the physics and engineering department of Kyoto University. In order to extend the academic function of the Science City, it is hoped that it will manage in a forward-looking manner.

Even for Tsukuba Research Academic City, where numerous national research institutions have gathered, it has taken more than 20 years until it achieved high acclaim worldwide. The Science City is privately led and is one of the few attempts in the world that is aspiring to integrate wide-ranging research and development that includes humanities and culture. For that reason, trial and error will be an inevitable accompaniment and it will be necessary to grapple with a long-term viewpoint that will not be swayed by short-term economic conditions.

The economy is finally beginning to recover some of its radiance. In particular, occasioned by the opening in Kansai of the Kansai International Airport, such activities as new distribution and business negotiations with overseas can be seen. The task for the Science City going into the 21st century will be to summon up the aggregate power of the Kansai region to draw a blueprint for a solid second stage so that it will not end up being an ordinary industrial park. It must utilize this sort of follow-through trend and breathe life into the initial noble ideas within the framework that has been created up to now.

## North Korea

### Foreign Ministry Spokesman Views U.S. Remarks

*SK1502234795 Pyongyang KCNA in English 2314  
GMT 15 Feb 95*

[“FM Spokesman on Unreasonable Behavior of Some U.S. Official Figures”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today concerning the declaration of some U.S. official figures these days that the framework agreement between the DPRK and the United States would be scrapped, if the DPRK refused to accept South Korean-type light water reactors [LWR].

He told KCNA:

Some U.S. official figures are resorting to an open propaganda campaign, contending that South Korean-type light water reactors are the only possible ones that can be provided to the DPRK under the DPRK-U.S. agreement. They are even letting out a string of words to put pressure on the DPRK, threatening that if it refused to accept South Korean-type reactors, the framework agreement between the two countries would be scrapped.

This is an unreasonable behavior that can never be tolerated.

As is known, the United States demands that the DPRK pay for the reactors. Under these conditions, it is a fully legitimate right for us, the buyer, to choose the reactor type we like.

There are four or five countries in the world which have a perfect capacity to build light water reactors and a rich experience of export.

Nevertheless, some quarters of the United States, without paying heed to the demand of the buyer who will have to pay the price, insist that he should accept only the South Korean-type reactors, which do not exist as an entity and whose safety and technology have not yet been verified. This is an act beyond common sense and gives rise to suspicion.

Although we felt apprehensions as to the complexity that might be caused by South Korea's involvement in the provision of light water reactors, we showed tolerance, allowing South Korea to bear a part of the loan and even provide some subsidiary facilities and ordinary construction, taking into consideration the circumstances of the U.S. side in the financial problem.

If this tolerance of ours is taken into account, it will be quite possible to find a reasonable way of a smooth solution to the issue. They, however, are trying to force upon us unconditionally LWR named South Korean type. Lurking behind this is, obviously, a sinister political purpose.



The provision of LWRs was, by origin, raised at the DPRK-U.S. talks as a proposition for replacing our graphite-moderated reactor system with a LWR system. This gives rise to the question whether the United States is interested in the replacement of our graphite-moderated system with a LWR system or in having the trojan horse, the South Korean type, accepted.

The South Korean authorities, left outside the DPRK-U.S. talks, may not know why the U.S. promised to provide LWRs to the DPRK and so behave rashly out of the misunderstanding that they have a key to the provision of LWRs. But we cannot take a serious view of the fact that some official figures of the U.S. administration are singing duet with them.

Still more serious is that the U.S. is even spreading the rumor about the resumption of the Team Spirit joint military exercises as a means of pressure as regards the type of LWRs.

Such a behavior cannot but be an act of those who are dancing to the tune of the dishonest forces trying to intentionally lay an obstacle to the implementation of the DPRK-U.S. framework agreement and, further, bring the agreement to abrogation.

If this is the U.S. policy, it will compel us to change our decision.

We would have nothing to lose even if the agreement were scrapped now due to the bogus label of South Korean type on the lips of our dialogue partner and the impudent South Korean authorities and everything were pushed back to the pre-dialogue state because of the Team Spirit.

If the DPRK-U.S. framework agreement would not be implemented properly due to the unjustifiable acts of the U.S., it might be better for us that the agreement is scrapped now in the initial stage than spending time with debate on the infeasible provision of LWRs.

#### **U.S. Secretary of State's Remarks Denounced**

*SK1502144595 Pyongyang Korean Central  
Broadcasting Network in Korean 1224 GMT 15 Feb 95*

[Commentary by Kim Ho-sam: "Do They Have the Will To Implement the DPRK-U.S. Framework Agreement?"]

[FBIS Translated Text] Absurd and foolish remarks creating obstacles [nangwanul chosongharyonun chapsoriduri] to the implementation of the DPRK-U.S. framework agreement are being continuously made within the U.S. Congress and Government. Voices stating that the DPRK-U.S. framework agreement is wrong, and therefore it cannot be accepted [chopsu], were raised at U.S. Congressional hearings some time ago. Thus, they received a strong protest [kangryok han kyutan] at home and abroad.

By the way, some days ago U.S. Secretary of State Christopher held a joint news conference with the puppet South Korean foreign minister, and made very irresponsible remarks [simhi muchaegimhan palon], saying: If the DPRK has no will to implement the article in the DPRK-U.S. agreement on North-South dialogue, then the United States cannot move toward the implementation of the agreement.

Judging from the fact that a relevant high-level authority of the U.S. State Department has brought in the puppets, who failed to take any practical steps toward North-South dialogue, and has linked North-South dialogue to the destiny of the DPRK-U.S. agreement while preposterously picking a quarrel with us [tomuniopssi kolgodulmyonso], we have come to doubt if the United States really has the will to implement [ihaenghal uijiga innuga] the DPRK-U.S. framework agreement.

As everyone knows, the DPRK-U.S. framework agreement jointly adopted and announced by both the DPRK and the United States is a basic document for improving DPRK-U.S. relations, and was even officially guaranteed [kongsikchoguro tambo han] by the U.S. President. Concrete measures to basically and fully resolve the nuclear issue [haegmunjeui kunwonjogimyo chonmyonjogin haegyol] on the Korean peninsula have been envisioned [yegyo tocoissupnida] in the agreement.

As envisioned in the timetable, to date the DPRK-U.S. agreement has basically and fully settled the issues that should be resolved within three months [chigumkkaji chomi hapuimunun siganpyoe yegyon toendaero sogdalane haegyol haeya hal munjedullul kibonjoguro ta ihaeng haekko]. It can therefore be regarded that the agreement is proceeding sincerely [chaksilhi chinchok].

Nevertheless, at this juncture the relevant high-level authority of the U.S. State Department is going to directly link North-South dialogue to the destiny of the DPRK-U.S. agreement, making absurd remarks [saengdonggattun soriul hamyonso]. This is very unreasonable [maeu ondangchi motan chosa] behavior, creating complexity [pokchapsong] by laying a new blockage [kolimdol] to implementing the DPRK-U.S. agreement.

In essence, the hardline remarks by the U.S. secretary of state are cunningly designed to gain political concessions [chongchijogin yangboul padanaeryonundoe ku umhyunghan sogsim] from the DPRK by using the resumption of the North-South dialogue as pressure [apryogui kongganuro iyong].

As shown by the process of the DPRK-U.S. agreement to date, such cunning strategy [sulchaek] can never work with us. The remarks by the relevant authority of the U.S. State Department to link the North-South dialogue to the destiny of the DPRK-U.S. agreement are very unreasonable [chonhyo tangchi anhun].

Regarding the issue of North-South dialogue, from the very beginning it is an issue that is not to be discussed at



this time under these circumstances. Our position on North-South dialogue has not changed; it is the same now as it was in the past.

If an atmosphere for North-South dialogue is created, we consistently insist on the resumption of dialogue. Whether North-South dialogue is carried out quickly is completely dependent on the South Korean authorities. If the South Korean authorities truly have the will to hold dialogue, they must apologize before the nation for the antihuman acts committed against fellow countrymen, and must abolish the National Security Law that regards the North as an enemy and any kind of dialogue or contact as a crime. Needless to say, if these two problems are not solved, dialogue cannot be held by any means.

Christopher should not find fault with us, but should exercise his influence with the South Korean authorities since he himself revealed last year that the U.S. State Department's official position is that the National Security Law must be abolished or revised.

The remark by the U.S. State Department's authority, who says North-South dialogue must run parallel to the implementation of the DPRK-U.S. agreement, is not correct [malchianta] when reflecting the spirit of the DPRK-U.S. agreed framework. It is stipulated in the agreement that North-South dialogue will be carried out according to the atmosphere created to promote dialogue. There is, however, (?consistent) progress in the initial stage of implementing the DPRK-U.S. agreement, but on the whole it is merely a start. Thus, there is still a long road to travel.

In particular, and in relation to the DPRK-U.S. agreement, great progress must be achieved in the future [apuro kun chinjoni irujoyahamnida] regarding the light-water reactor issue, which is an (?important) sector. In this regard, it is not yet time to say something [ajik ununhal ttaega anida] or other [ununhada] regarding the issue of North-South dialogue. There is no way the U.S. State Department authority can not know this.

Nevertheless, in light of the fact that the U.S. State Department authority made a strong remark, even risking the fate of the DPRK-U.S. agreement [chomi habuimunui unmyongekkaji koloso kanggyonghan palonul hangosulbomyon], we cannot at all discern the will of the United States on whether it is trying to take hold of the DPRK-U.S. agreement or whether it is trying to let it go.

If the United States sincerely implements the agreement according to the fixed timetable, as promised by the DPRK and the United States, we will unchangeably do our work.

Under the situation in which the United States and we are still engaged in belligerent relations [kyojon kwangye], the DPRK-U.S. agreement is not thoroughly based on mutual trust but is under the assumption of verification [komjung].

If the United States creates complications in implementing the agreement and creates barriers, the situation may even result in a grave situation [migugi kigumchorom habuimun ihaenge inwijoguro pokchapsongul chosonghago changaemulul mandulonoumyonun sataenun omjunghan chigyongekkaji ponjyojilsudo isulgosimnida].

We will not implement the DPRK-U.S. agreement by accepting the utterly unreasonable preconditions that run counter to the nation's interest [urinun kyolko minjogui iike paechidoenun chonmanbudanghan chonjejogogondulkaji padadulimyonso chomi habuimunul ihaenghajinun anulgosimnida]. If the United States says by all means it will travel another road, then we move along the road chosen by our faith as well.

### Spokesman on Possibility of Abrogating Accord

SK1502155395 Pyongyang KCNA in English 1550  
GMT 15 Feb 95

["DPRK Would Have Nothing To Lose From Abrogation of DPRK-U.S. Agreement, FM Spokesman"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—Spokesman for the Foreign Ministry [FM] of the Democratic People's Republic of Korea today made clear the DPRK's position concerning the declaration of its official figures of the United States these days that if the DPRK refused to accept light water reactors [LWRs] of South Korean type, the framework agreement between the DPRK and the U.S. would be scrapped.

Noting that the United States is trying to force upon the DPRK unconditionally LWRs named South Korean type, he said: Lurking behind this is, obviously, a sinister political purpose.

He continued:

Still more serious is that the U.S. is spreading the rumor about the resumption of the Team Spirit joint military exercises as a means of pressure as regards the type of LWRs.

Such a behavior cannot but be an act of those who are dancing to the tune of the dishonest forces trying to intentionally lay an obstacle to the implementation of the DPRK-U.S. framework agreement and, further, bring the agreement to abrogation.

If this is the U.S. policy, it will compel us to change our decision.

We would have nothing to lose even if the agreement were scrapped now due to the bogus label of South Korean type on the lips of our dialogue partner and the impudent South Korean authorities and everything were pushed back to the pre-dialogue state because of the Team Spirit.



If the DPRK-U.S. framework agreement would not be implemented properly due to the unjustifiable acts of the U.S. it might be better for us that the agreement is scrapped now in the initial stage than spending time with debate on the infeasible provision of LWRs.

#### **Vice President Meets With Nigerian Visitors**

*SK1602060895 Pyongyang KCNA in English 0457 GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 16 (KCNA)—Vice-president Yi Chong-ok met and had a friendly talk with J.T. Useni, minister of federal capital territory, on a visit to Korea as a special envoy of the head of State of Nigeria, and his party, at the Mansudae Assembly Hall on Wednesday.

Noting that the great leader President Kim Il-song did a great work for the Korean people and the revolutionary people of the world in his lifetime, the special envoy hoped that his exploits will be carried forward and developed.

He said he deemed it a great honour and joy to join the Korean people in celebrating the holiday of February.

#### **Tanzanian Prime Minister Receives Envoy 8 Feb**

*SK1602120795 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 12 Feb 95*

[FBIS Translated Text] Cleopa David Msuya, Tanzanian prime minister and first vice president, received Chang Won-ok, DPRK ambassador to Tanzania, on 8 February.

The prime minister talked about the development of friendly and cooperative relations between the two countries of Tanzania and the DPRK and said as follows:

The friendly relations between the two countries of Tanzania and the DPRK was provided by President Kim Il-song and His Excellency Julius Kambarage Nyerere. The relationship between His Excellency Kim Il-song and His Excellency Julius Kambarage Nyerere, who were resolute advocates of socialism and self-reliance, were very special and close. The friendly and cooperative relations between the two countries provided by His Excellency Kim Il-song and His Excellency Julius Kambarage Nyerere are being all the more consolidated and developed today by President Ali Hassan Mwinyi and the supreme leader [choego yongdoja] of the Korean people Comrade Kim Chong-il.

He continued to say:

I sincerely congratulate the Workers Party of Korea and the government for magnificently succeeding the leader's [suryong] cause after the death of the great President Kim Il-song. We enthusiastically welcome the DPRK Government for continuing to turn great attention to the friendly and cooperative relations with South-South cooperation and developing countries.

We hope that the Korean people will achieve great results in realizing the revolutionary economic strategy. We hope that the friendly and cooperative relations between the two countries of Tanzania and the DPRK provided by Comrade President Kim Il-song and His Excellency Julius Kambarage Nyerere will be all the more extensively strengthened and developed.

I wish long life for the supreme leader [choego yongdoja] of the Korean people Comrade Kim Chong-il.

#### **Sri Lankan President Receives SDP Delegation**

*SK1602122095 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 13 Feb 95*

[FBIS Translated Text] Sri Lanka President Chandrika Bandaranaike Kumaratunga received the DPRK Social Democratic Party [SDP] delegation led by its Central Committee Chairman Kim Pyong-sik, on 9 February.

During the meeting, the head of the delegation conveyed the great leader [yongdoja] Comrade Kim Chong-il's greetings to President Chandrika Bandaranaike Kumaratunga. The president expressed deep gratitude and asked the head of the delegation to convey his sincere greetings of long life to the great leader [yongdoja] Comrade Kim Chong-il.

The president said that Sri Lanka and the DPRK have maintained deep friendly relations for a long time. He emphasized that results achieved by the Korean people in the struggle for socialist construction and the fatherland's reunification, and results achieved at the DPRK-U.S. talks under the wise leadership of the DPRK leader [yongdoja] His Excellency Kim Chong-il are regarded as the results of the Sri Lanka people themselves.

The general secretary of the Sri Lanka Freedom Party and the chairman of the Sri Lanka-DPRK Friendship Association were also on hand.

#### **Kim Chong-il's Birthday Festivities Continue**

##### **Leaders at 14 Feb Meeting Listed**

*SK1602062595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Feb 95*

[FBIS Translated Excerpt] A grand central report meeting on the birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, took place yesterday at the 8 February Palace of Culture. [passage describing the meeting hall omitted]

Present at the rostrum were Comrade Kang Song-san, member of the Workers Party of Korea [WPK] Central Committee Political Bureau and premier of the Administration Council; Comrades Yi Chong-ok and Pak Songchol, members of the WPK Central Committee Political Bureau and vice presidents; Vice President Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee; Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau and



vice premier of the Administration Council; Comrade Choe Kwang, member of the WPK Central Committee Political Bureau and chief of the Korean People's [KPA] Army General Staff; Comrades Kye Ung-tae, Chon Pyong-ho, and Han Song-yong, members of the WPK Central Committee Political Bureau and secretaries of the WPK Central Committee; Comrade Kim Chol-man, candidate member of the WPK Central Committee Political Bureau; Comrade Choe Tae-pok, candidate member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee; Comrades Choe Yong-nim and Hong Song-nam, candidate members of the WPK Central Committee Political Bureau and vice premiers of the Administration Council; Comrade Yang Hyong-sop, candidate member of the WPK Central Committee Political Bureau and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the WPK Central Committee Political Bureau and chairman of the State Planning Commission; Comrades Paek Hak-nim, Kim Pong-yul, Kim Kwang-chin, and Kim Ik-hyon, vice marshals of the KPA; Comrades Kim Ki-nam, Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Hwan, Kim Pok-sin, Kim Yun-hyok, and Chang Chol, vice premiers of the Administration Council; Comrade Yun Ki-pok, chairman of the Economic Policy Committee of the Central People's Committee; Comrade Pak Nam-ki, chairman of Pyongyang Municipal Administrative and Economic Committee; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee; Mrs. Yu Mi-yong, chairman of the Chondoist Chongu Party Central Committee; senior officials of party and state institutions and labor organizations; anti-Japanese revolutionary fighters; heroes; and people of meritorious services.

Also present at the rostrum were Ho Chong-man, chief vice chairman of the General Association [Chongnyon] of Korean Residents in Japan Central Standing Committee; Choe Hong-hui, president of the International Taekwondo Federation; and Sonu Hagwon, adviser to the U.S. headquarters of the National Alliance for the Country's Reunification.

The meeting began with the playing of the national anthem. Comrade Kye Ung-tae, member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee, delivered a congratulatory report. [passage on the proceedings of the meeting omitted]

#### **National Meeting Held 15 Feb**

SK1602011395 Pyongyang KCNA in English 2249  
GMT 15 Feb 95

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—A national meeting celebrating the birthday of the great leader Comrade Kim Chong-il was held at the 6,000-seat theatre of the February 8 House of Culture

in Pyongyang today. (?Spreading) on the background of the platform was the flag of the glorious Workers' Party of Korea [WPK] [words indistinct] the great leader President Kim Il-song and guided by the great leader Comrade Kim Chong-il.

It was attended by Premier Kang Song-san and Vice-presidents Yi Chong-ok and Pak Song-chol who are members of the Political Bureau of the C.C. [Central Committee], the WPK, Vice-president Kim Pyong-sik who is chairman of the C.C., the Korean Social Democratic Party, and other senior party and state officials.

Also present were chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Ho Chong-man, president of the International Taekwon-do Federation Choe Hong-hui, [phrase indistinct] of the National Alliance for the Country's Reunification [words indistinct] and member of and visiting groups of Koreans overseas. Kye Ung-tae, member of the Political Bureau and secretary of the C.C., the WPK, [words indistinct] guided by the great leader." [no opening quotation mark as received]

The reporter said:

The birthday of the dear leader Kim Chong-il is a [word indistinct] holiday of which our people were bestowed on a great national glory for the second time after they acclaimed President Kim Il-song the great leader [word indistinct] in [word indistinct] history spanning [word] years, in great happiness. This day is grandly celebrated by the 70 million fellow countrymen and the progressive people [words indistinct] the world as a common holiday of humankind.

Dear Comrade Kim Chong-il, who fully personifies the greatness of respected Comrade Kim Il-song [words indistinct], leadership ability and virtues, is an outstanding leader and the faithful successor who has successfully inherited the position and role of Comrade Kim Il-song from long ago in the accomplishment of our revolutionary cause with unfailing loyalty to him and his cause.

The reporter quoted Comrade Kim Il-song as saying:

"The successor to the leader must fully personify his idea, theories, leadership ability and virtues, regarding loyalty to him as life and blood."

All the thinking and activities of Comrade Kim Chong-il are run through with infinite loyalty manifested in carrying forward the cause of the respected leader Comrade Kim Il-song on the highest level. The great natural gifts of Comrade Kim Chong-il, who perfectly implements the idea and intention of Comrade Kim Il-song, always identified his idea with that of Comrade Kim Il-song and his leadership with that of Comrade Kim Il-song.



Comrade Kim Chong-il shaped all the lines and policies of the party and organized the efforts for their implementation with Comrade Kim Il-song for a long time as the supreme leader of our revolution. They triumphantly guided our party and people, playing the steering role together in our revolution.

Comrade Kim Chong-il is a great thinker and theoretician who has immensely developed in depth the ideological and theoretical feats of Comrade Kim Il-song to glorify ours as a new era of human history in which the *chuche* idea has emerged victorious and is guiding the world.

The greatness of Comrade Kim Chong-il unfailingly loyal to the cause of Comrade Kim Il-song finds expression in the world-historic feats performed by him in developing in depth the revolutionary ideology of Comrade Kim Il-song to put it in the most brilliant place of the treasurehouse of progressive ideas of humankind.

The new original and encyclopedic ideas and theories in all fields—philosophy, politics, economy, culture, ideology and morality and building of the party, the state and the Army—put forward by the great leader Comrade Kim Chong-il on the basis of the *chuche* idea of the respected leader Comrade Kim Il-song are an almighty weapon which enables our party and people to solve smoothly all the questions arising in the revolution and construction, and each of them is a precious treasure which is of eternal value in shaping the destiny of humankind.

Dear Comrade Kim Chong-il is a great leader who opened a great heyday of the Workers' Party era, a great period of prosperity of *chuche* Korea, by brilliantly carrying forward and developing the cause of the party, state and Army building of the great leader Comrade Kim Il-song.

The whole course of the revolutionary activities conducted by the great leader Comrade Kim Chong-il by upholding the revolutionary cause of the respected leader Comrade Kim Il-song is marked with the outstanding and tested leadership with which he has most successfully applied the idea of party building, the plan of state building and the line of Army building which were set forth by the respected leader and herein lies the distinguished greatness of Comrade Kim Chong-il who remains unfailingly loyal to the cause of the respected leader.

Comrade Kim Chong-il was the first in the history of the international communist movement to lay down the original idea of party building for building the working-class party as the leader's party and he set a brilliant example in the building of a socialist ruling party.

It is an immortal precious revolutionary feat of the great leader Comrade Kim Chong-il in carrying forward the cause of Comrade Kim Il-song that he has built our party into the invincible party of the great Comrade Kim

Il-song and made our country which was built by him display its might as a most prosperous country of *chuche*, socialist Korea which is shining with his august name.

The extraordinary organisational ability, revolutionary sweep, iron will and rare grit, distinguished strategy of converting adversity into favourable conditions and tireless energy—all these outstanding and tested leadership qualities of the great leader Comrade Kim Chong-il were the source of strength which brought victories and successes, tiding over countless difficulties lying in the way of creation and construction.

The unfailing loyalty of Comrade Kim Chong-il to Comrade Kim Il-song and his cause has left a great mark in fortifying the military guarantee for the revolutionary cause of *chuche* and building our country into a mighty military power by successfully carrying forward the cause of Army building started by him.

Respected supreme commander Comrade Kim Chong-il who has put his heart and soul into the building of the revolutionary Armed Forces and the increase of the national defence capabilities from long ago, regarding the military affairs as the most important state affairs, set the modelling of the whole Army on the *chuche* idea as the general task of Army building and has energetically led the struggle to strengthen and develop the People's Army into invincible revolutionary Armed Forces firmly prepared politically and ideologically and in military technique. Our country, our socialist motherland built by Comrade Kim Chong-il on this land, upholding a grand plan of President Kim Il-song, is a political power which proudly pursues independent politics with its own philosophy, establishing the spirit of the nation with courage, a powerful country of single-hearted unity where the leader, the party and the masses are staunchly advancing along the road of the cause of *chuche* in a harmonious whole, a prosperous country where edifices of world's first grade and treasures of civilisation are increasing constantly and the happiness of the people and the resourcefulness of the nation are fully displayed, an invincible country which does not yield to any pressure or blockade and which no formidable enemy dare provoke.

Comrade Kim Chong-il is an outstanding statesman who, with noble love for and indefinite devotion to the people, is immensely exalting Korean-style socialism centred on the popular masses, pursuing a true socialist politics and benevolent politics.

Comrade Kim Chong-il, who has fully taken over the great leader's noble idea of "believing in the people as in heaven" and is gifted with the noble virtue of warmly loving the people, has set a shining example of true socialist politics by enforcing benevolent politics so that the popular masses can fully enjoy all rights and benefits, completely guaranteed the position of the master of everything of society.

It is the most brilliant exploit of the great leader Comrade Kim Chong-il and a proud victory of the benevolent



politics pursued by our party that such a great people have been brought up, a people who hold their leaders in high esteem with the purest conscience and sense of obligation and remain unfailingly loyal to the cause of the party, the cause of socialism.

All the revolutionary activities of Comrade Kim Chong-il are closely linked with the righteous struggle for achieving the reunification of the country, the reporter said, and continued:

The great leader Comrade Kim Chong-il is energetically leading the struggle to open a new, epochal phase in achieving the great unity of the whole nation and accomplishing the cause of national reunification in order to realise at an early date the behests of the respected leader President Kim Il-song to make the 90s the decade of national reunification and the cherished desire of all the fellow countrymen for national reunification.

The new day of reunified Korea will certainly come as there is dear Comrade Kim Chong-il, who enjoys deepest respect and trust of all the fellow countrymen.

The whole course of Comrade Kim Chong-il's leadership of the Korean revolution is associated with a strong sense of responsibility for the cause of the independence of humankind.

He has created a shining model of socialism in our country, regarding it the mission of the Korean communists for the time to contribute to the world revolution by successfully carrying out the Korean revolution. He has also clearly illumined the way to be followed by the world revolutionary people by analyzing the complicated situation of the international community with clairvoyant intelligence and indicating the main trend of the time and orientation and ways of the rebuilding of socialism.

The reporter called on all the party members and working people to absolutely worship and follow Comrade Kim Chong-il, remain faithful and devoted to his leadership in one mind and work energetically with a single heart to make their country, their motherland, more prosperous as befits the soldiers of Comrade Kim Il-song and our glorious party.

With the unshakable faith that Comrade Kim Il-song is immediately Comrade Kim Chong-il, we must remain unfailingly loyal and devoted to Comrade Kim Chong-il with the loyalty and filial duty we failed to fully display in upholding the fatherly leader Comrade Kim Il-song, and defend with our lives Comrade Kim Chong-il, the respected supreme commander, politically and ideologically in any adversity, the reporter stressed:

Ho Chong-man made a congratulatory speech at the meeting.

#### **More on 15 Feb National Meeting**

*SK1502231895 Pyongyang KCNA in English 2300 GMT 15 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—A national meeting celebrating the 53d

birthday of Comrade Kim Chong-il, the great leader of our party and our people, is now being held at the 6,000-seat theatre of the February 8 House of Culture in Pyongyang.

It is attended by Premier Kang Song-san and Vice-Presidents Yi Chong-ok and Pak Song-chol who are members of the Political Bureau of the C.C. [Central Committee], the WPK [Workers' Party of Korea], Vice-President Kim Pyong-sik who is chairman of the C.C., the Korean Social Democratic Party and other senior party and state officials.

Also present are chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongryon) Ho Chong-man, president of the International Taekwon-do Federation Choe Hong-hui, and members of delegations and visiting groups of Koreans overseas.

Kye Ung-tae, member of the Political Bureau and secretary of the C.C., the WPK, is delivering a report titled "Invincible Is the Revolutionary Cause of Our People Guided by the Great Leader."

The reporter said Comrade Kim Chong-il, who fully personified the greatness of respected Comrade Kim Il-song in idea, leadership ability and virtues, is an outstanding leader and a faithful successor who has successfully inherited the position and role of Comrade Kim Il-song from long ago in the accomplishment of our revolutionary cause with unfailing loyalty to him and his cause.

He called for absolutely worshiping and following the great Comrade Kim Chong-il, the destiny and future of the Korean people and the banner of victory, and remain faithful and devoted to his leadership with a single heart.

With the unshakable faith that Comrade Kim Il-song is immediately Comrade Kim Chong-il, we must remain unfailingly loyal and devoted to Comrade Kim Chong-il with the loyalty and filial duty we failed to fully display in upholding the fatherly leader Comrade Kim Il-song, and defend with our lives Comrade Kim Chong-il, the respected supreme commander, politically and ideologically in any adversity, the reporter stressed.

#### **Kye Ung-tae Gives Speech 15 Feb**

*SK1502103995 Pyongyang Korean Central Broadcasting Network in Korean 0705 GMT 15 Feb 95*

["Congratulatory report" by Comrade Kye Ung-tae, member of the Political Bureau and secretary of the Workers' Party of Korea Central Committee, at a central report meeting in the 8 February Hall of Culture in Pyongyang to mark the 53d birthday of Comrade Kim Chong-il—live]

[FBIS Translated Text] [Applause] Comrades, today the entire party, all the people, and the entire army are accelerating the new revolutionary march to carry to



accomplishment the chuche revolutionary cause with single-hearted unity centered around the great leader [yongdoja], overflowing with the indomitable will of struggle and confident in victory, by upholding the great leader [suryong] Comrade Kim Il-song's lifetime will. At this historic turning point, we significantly mark the 53d birthday of Comrade Kim Chong-il, the dear leader [chidoja] of our party and people.

Respectfully recalling the sacred image of the respected fatherly leader from the lofty appearance of the great leader [yongdoja] Comrade Kim Chong-il, all people across the country, firmly convinced of the ever-victorious future of our revolution, are overwhelmed with great joy on receiving the historic decree designating the birthday of the dear Comrade Kim Chong-il as the greatest national holiday. We are commemorating the February holidays with particularly moved sentiments. [applause]

At this moment, when we greet the significant revolutionary festive day, our hearts are filled with feelings of deep yearning after and reverence for the great leader Comrade Kim Il-song, who has bestowed eternal victory and happiness upon the road ahead of our revolution and people, by opening a new era of national prosperity in this land, through the efforts of his 80-year-long life, and by brilliantly solving the issue of inheriting the revolutionary cause. They are also filled with firm determination to uphold the great leader [yongdoja] Comrade Kim Chong-il's leadership with single-hearted loyalty and filial piety, cherishing the infinite national dignity of being blessed with the leader [suryong] generation after generation, and thus are determined to consummate to the end the revolutionary cause pioneered by the leader [suryong].

The dear leader Comrade Kim Chong-il's birthday is a day of great festivity, when are people are again blessed with great national glory in the happiness of having a great leader [suryong] for the first time in our 5,000-year-long history. [applause]

The history of modern Korea, which enjoys the dignity of being the chuche fatherland, is shining as a period of glory during which the brilliant future of the country and the revolution is unfolding, thanks to the revered name of the great leader Comrade Kim Chong-il, and during which the period of overall upsurge of the chuche revolutionary cause has been provided on the strength of the outstanding revolutionary activities of the dear leader Comrade Kim Chong-il, who embodies the great leader Comrade Kim Il-song's ideology and leadership.

Greeting the felicitous February festive day, our people and all 70 million fellow countrymen are seething with the infinite reverence of the great leader [yongdoja] Comrade Kim Chong-il, cherishing in their hearts the infinite honor of upholding a distinguished and great man [kolchurhan wiin] who is upheld by the times and by history as the faithful successor to the leader [suryong] and as the sagacious leader [yongdoja] of the nation. At

the same time, all progressive people from all continents of the world are extending warm greetings, splendidly celebrating this festive day as the joint festive day of mankind. [applause]

At this significant meeting celebrating the respected and beloved Comrade Kim Chong-il's 53d birthday, cherishing the infinite reverence and burning loyalty of all party members and people, I extend the utmost honor and warmest congratulations to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, who is leading the chuche socialist cause on the single road of victory and producing immortal and precious achievements in the reconstruction of the world's socialist movement and in the accomplishment of the independent cause of mankind, through his outstanding and tested leadership. [applause]

Comrades:

There is no greater honor and happiness for the people who are carrying out our revolution than to uphold the leader [suryong], who pioneered the road to revolution for the first time, and the leader [yongdoja], who is endlessly faithful to his [suryong's] cause.

When one fails to put up [naeseuji mothaetssulttae] a successor loyal to the leader [suryong] who pioneered the revolution, the lineage of the leader [suryong] will break; the revolutionary cause that the leader [suryong] pioneered will be frustrated; and the people's destiny will fall into extreme distress. This is a serious lesson seen yesterday and today in the international communist movement.

Our people, who have pioneered a new era of history, while cutting through the rough road of the 20th century interspersed with twists and turns, and while upholding two matchless great men of mankind, display their honor as highly dignified people who are strenuously inheriting and developing the revolutionary cause of the leader [suryong] and the independent cause of the popular masses from generation to generation.

The dear Comrade Kim Chong-il, who embodies the same greatness as the respected and beloved Comrade Kim Il-song in ideology, leadership, and benevolence, is the outstanding leader and faithful successor [chun-gjikhhan hugyeja] who has the most noble and ardent loyalty to the leader [suryong] and his cause, and who has long since [ilchik puto] excellently inherited the great leader's position and role in carrying out our revolutionary cause. [applause]

The great leader Comrade Kim Il-song taught: A successor to the leader [suryong] should fully personify the ideology, theory, leadership ability, and benevolence of the leader, regarding a sense of loyalty to the leader as his life.

All meditation and activities of the great leader [yongdoja] Comrade Kim Chong-il are consistent with his matchless loyalty to uphold the respected and beloved



leader's cause at the highest level. Due to the great trait of the dear comrade leader who completely and perfectly personifies the ideology and intentions of the leader [suryong], Comrade Kim Chong-il's ideology has always remained that of Comrade Kim Il-song, and Comrade Kim Chong-il's leadership is that of Comrade Kim Il-song. [applause]

As the greatest brain of our revolution, along with the great leader [suryongnim] over a protracted period, the great leader [yongdoja] Comrade Kim Chong-il has worked out all lines and policies of the party; has organized the struggle to accomplish such lines and policies; and has guided our party and people to victory while taking the rudder of our revolution.

Although he always placed himself in the position of a (?warrior) upholding the cause of the leader [suryong], the great leader [yongdoja] Comrade Kim Chong-il, who is boundlessly modest, shared with the leader [suryong] all kinds of sufferings and hardships, sharing one body and soul with him; our great Comrade Kim Chong-il is the most loyal supporter [pangjoja], the greatest comrade, the most dutiful comrade-in-arms [chonju] who assisted the great leader [suryongnim] in all his works at the highest level. [applause]

Today, even in the midst of the greatest national misfortune of having lost the fatherly leader, our party and people are continuing to strenuously march forward along the single road pioneered by the first leader [suryong] of the revolution, while firmly upholding the center of the ideology and leadership as well as the center of unity, without knowing the slightest (?instability) or misgivings. This is because the great leader [yongdoja] Comrade Kim Chong-il is standing at the forefront of our revolution. [applause]

In many countries which carried out socialist construction, the lineage of the leader [suryong] and that of revolution has been broken, thereby causing great distress. Under these circumstances, our people have the greatest happiness and the greatest honor of upholding the dear Comrade Kim Chong-il—who strenuously inherits and develops the cause of the leader [suryong] while fully and faithfully inheriting the leadership ideology, the revolutionary tradition, the political method, and the leadership trait created by the leader [suryong]—as the great leader [yongdoja] of our party and revolution, and as the supreme commander of the revolutionary armed forces. [applause]

The dear leader [chidoja] Comrade Kim Chong-il extraordinarily intensified and developed the great leader [suryong] Comrade Kim Il-song's ideological and theoretical achievements. He is a great ideologist and theorist who is elucidating our era into a new era in man's history, where the chuche idea is victorious and takes the initiative. [applause]

The guiding ideology is the revolution's life; the process of succeeding and completing the revolutionary cause

that was pioneered by the leader [suryong] is the process of succeeding, developing, and realizing the leader's [suryong] revolutionary ideology. The greatness of the dear Comrade Kim Chong-il, who is infinitely loyal to the leader's [suryong] cause, most of all intensifies and develops the respected and beloved leader Comrade Kim Il-song's revolutionary ideology. Here lies the worldwide achievement which was put in the most brilliant place in the treasure house of man's advanced ideology.

The dear leader [chidoja] Comrade Kim Chong-il, who wholly inherited the great leader's [suryong] ideological and theoretical wisdom, is a genius of ideology and theory which no one can match. He is possessed with a strong spirit of inquiry and extraordinary insight; an outstanding practical sense of perception and creative thinking; and a clairvoyant farsightedness and outstanding tactical ability. He is also a great man, keeping in his heart the profound world of thinking, a man who always thinks and extensively explores with the world as the target.

Therefore, it was possible for only the great leader [yongdoja] Comrade Kim Chong-il to make a great scientific discovery in formalizing the respected and beloved leader's [suryong] revolutionary ideology, which possesses endless depth and width, into a monolithic system of the chuche ideological and theoretical method. He further enriched the chuche idea with new principles and content, and wholly intensified and developed it. Thus, it was possible to accomplish achievements in the history of man by making Comrade Kim Il-song's revolutionary ideology into a scientific guiding ideology of our era and a completed communist torch. [applause]

Many famous works—including "On the Chuche Idea," "Historic Lesson in Socialist Construction and Our Party's General Line," "On the Fundamental Problems in the Revolutionary Party Construction," and "Slander Toward Socialism Cannot Be Tolerated," which were written and published by the dear Comrade Kim Chong-il—are the water of life that gives faith, courage, and vitality in the future to the world's people who suffer from trials due to a lack of ideology and a poverty of philosophy. It also inspires the entire world in its role as a manual in the struggle by progressive man aiming for a socialist revival and a new, independent world.

Based on the respected and beloved leader [suryong] Comrade Kim Il-song's chuche idea, the great leader [yongdoja] Comrade Kim Chong-il's unique and encyclopedic ideology and theory—which were put forth throughout all fields, including philosophy, politics, economy, culture, ideology, and [words indistinct], as well as party, state, and military construction—are weapons of all the people. They solve without interruption all problems that arise in our party and people, in our revolution and construction. Each of them is a precious asset that has immortal value in pioneering man's fate. [applause]

Even amid the great sadness of having suddenly lost the nation's father, the great leader [yongdoja] Comrade



Kim Chong-il wrote our monumental work "Socialism Is a Science" with an iron-like will and outstanding creativeness. Thus, it was possible to once again make the entire world be wrapped up in great excitement before this extraordinary brilliance that scientifically completed the chuche socialist theory and before the outstanding truth of whole-heartedly succeeding and developing the leader's [suryong] revolutionary ideology.

The slogans of faith presented by the dear Comrade Kim Chong-il, such as "The great leader Comrade Kim Il-song is with us forever" and "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea," have borne in each word and phrase the boundless and warm dutifulness and obligation, as well as the absolute loyalty, to the leader's [suryong] idea and cause to highly uphold the leader [suryong] for ten thousand years. Because of this, our people and people throughout the world cannot help but retain their deep impressions of the lofty ethos of Comrade Kim Chong-il who is a personifier [chehyonja] of the most sacred revolutionary morality.

Thanks to the great leader [yongdoja] Comrade Kim Chong-il's outstanding ideological and theoretical achievements, today the respected and beloved Comrade Kim Il-song's revolutionary idea, the chuche idea, is being illuminated as a guiding idea of the times, a guiding philosophy of progressive mankind. Our country is also displaying its dignity as an original state [pal-wonguk] of the great idea and theory that leads the popular masses' cause for independence. [applause]

Because the great leader [yongdoja] Comrade Kim Chong-il exists, who is so loyal to the leader's [suryong] idea and cause, the great leader Comrade Kim Il-song's revolutionary idea is immortal, and the chuche revolutionary cause is ever-victorious. [applause]

The dear Comrade Kim Chong-il is the great leader [yongdoja] who has opened a great golden age in the Workers' Party era, a great prosperous era of chuche Korea, by brilliantly inheriting and developing the great leader Comrade Kim Il-song's cause for party building, state founding, and army founding. [applause]

In consummating the leader's [suryong] revolutionary cause and the popular masses' cause for independence, the key problems in laying a basic cornerstone for the victory of the revolution are to constantly build and strengthen the powerful [wiryokhan] revolutionary party of the working class, the prosperous state of the people, and the strong [kangryokhan], revolutionary armed forces. The success and failure of the revolution, the rise and fall of the state, and the life and death of the nation can be determined depending on the fulfillment of such a great cause.

The great leader [yongdoja] Comrade Kim Chong-il has carried out the entire course of the revolutionary activity by upholding the respected and beloved leader Comrade Kim Il-song's revolutionary cause. This is illuminated by

the outstanding and seasoned leadership of the leader [suryong], who carried out the party building idea, state building idea, and armed building [murok konsol] line in a most excellent manner. Herein lies the prominent greatness of the dear comrade leader who is boundlessly loyal to the leader's [suryong] cause. [applause]

For the first time in the history of the international communist movement, the great leader [yongdoja] Comrade Kim Chong-il has expounded an original party-building idea to build the working class party into the party of the leader [suryong]. Thus, he has created a brilliant example in building the socialist ruling party.

The great leader [yongdoja] Comrade Kim Chong-il, who since the very early days when he led the party work has borne plans and a feeling of determination to build our party into a party that shines with the leader's [suryong] esteemed name, has expounded an outstanding policy of making the entire party chuche-oriented in conformity with the demands of our party and the developing revolution. By so doing, he has concentrated efforts on achieving it, without taking sleep or rest.

In a struggle to make the entire party chuche-oriented, the party's organizational, ideological, and leadership-art building have been thoroughly carried out based on the principle of the revolutionary view of the leader [suryong] under the great leader [yongdoja] Comrade Kim Chong-il's energetic leadership. As a result, the entire party's ideological and moral will, as well as cohesion and unity based on the leader's [suryong] revolutionary idea, has been more firmly consolidated. Also, the superiority of idea and leadership is firmly guaranteed in the party activity.

Today our party, both in name and reality, is an outstandingly embodied feature [myonmo] as the party of the great leader [suryong], a chuche-oriented revolutionary party in all areas, ranging from character and ideological system to the unity of the party's ranks, the nature of its organization, its discipline, and its linkage with the masses.

At the moment, even looking at the Party Founding Memorial Tower, which soars high in the middle of our era, we cannot repress rising emotions while keeping deep in our hearts the noble will of the great leader [yongdoja] Comrade Kim Chong-il, who is trying to strengthen and develop our party forever as the party of the great leader Comrade Kim Il-song, and to glorify for generations to come the leader's [suryongmin] achievements in party building.

In today's world, in which various socialist, ruling parties have collapsed one after the other in the face of the raging antisocialist winds, Comrade Kim Chong-il has built our party as an ever-victorious, guiding force that will unflinchingly lead the revolutionary cause of chuche to an ultimate consummation, building our party as the great Comrade Kim Il-song's party that does not shake



under any severe storm, thereby becoming the great symbol of the honor, dignity, and might of our party. [applause]

Along with his building of our party as the great Comrade Kim Il-song's invincible party, the great leader [yongdoja] Comrade Kim Chong-il has helped display the might of our fatherland, which was established by the respected and beloved leader, as the boundlessly prosperous country of *chuche* and as a socialist Korea that shines with the respected name of the leader [suryongnim]. This is an immortal, precious, revolutionary achievement that he has made in the course of inheriting the cause of the leader [suryong]. [applause]

The great leader [yongdoja] Comrade Kim Chong-il is trying to build on this land a prosperous and civilized fatherland, a socialist *chuche* fatherland, by adding spurs to the cause of creation and construction under the banner of the *chuche* idea. This is a far-sighted idea which he has harbored from an early date; it is his revolutionary conviction that he has consistently maintained in the protracted days of revolutionary activities.

In retrospect, the period from the 1960's until today has been one of world-wide upheavals in which the international, political situation has been faced with the most severe experience in the annals of the 20th century. In such a rapidly changing current of history, a prosperous, socialist country has been established that displays the might of independence, self-reliance, and self-defense, by firmly maintaining the *chuche*-oriented position. Herein lies the great leadership of the dear Comrade Kim Chong-il, who is brilliantly accomplishing the leader's [suryongnim] plan to build a socialist state, while fully inheriting the respected and beloved leader's outstanding leadership ability.

The source of the strength that has helped overcome numerous obstacles lying in the road to creation and construction, and that brings about victories and success, is all of the great leader [yongdoja] Comrade Kim Chong-il's outstanding and seasoned leadership traits and techniques, such as his extraordinary organizational skill, revolutionary sweep, iron-willed conviction, matchless mettle, outstanding resourcefulness which can turn adversities into favorable circumstances, and inexhaustible energy. [applause]

The great leader [yongdoja] Comrade Kim Chong-il has unfolded the leadership principle of carrying out politics in our own style and of developing the economy and culture in our own way; the leadership method of solving all questions arising from revolution and construction by arousing the people's ideology; and a bold method of carrying out all works in such a manner as to make everything for the sake of all humankind, with the ambition to turn the earth's axis while always standing in the center of the world. He has most wisely led the cause of creation and construction for the prosperity and thriving of the fatherland.

Under the outstanding and seasoned leadership of the great leader [yongdoja] Comrade Kim Chong-il, revolutions in ideology, technology, and culture have been forcefully encouraged under a program to imbue all of society with the *chuche* idea. Therefore, a large unit of communist-style people equipped with the *chuche* idea has been fostered; the foundation of the socialist, self-reliant national economy that guarantees the country's prosperity for generations to come has been more firmly consolidated; and a great heyday has unfolded in the construction of revolutionary culture and art. As a result, a proud success has been achieved that the people praise as the Renaissance of the 20th century.

Under the great leader [yongdoja] Comrade Kim Chong-il's energetic guidance and (?his direct) operation of plans, a grand struggle to carry out construction with a view to securing the riches of happiness, which the fatherly leader tried to provide for our people, has been carried out on an unprecedentedly grand scale. Therefore, an epoch-making turn has been achieved.

In recent years, numerous monumental creations, including the capital of the revolution, have been established everywhere for all future generations; our country has been completely changed today with an (?abundance) of civilization's riches, thereby displaying the dignified appearance of a socialist modern Korea that is prosperous and civilized, and arousing the admiration of the world's people.

The great leader [yongdoja] Comrade Kim Chong-il, who boundlessly devotes his energy and efforts to endlessly increasing and developing the national strength and civilization of the socialist fatherland, has spent a year of great sorrow. Even in the early morning of the first day of the new year, he sent to all people across the country his own warm-hearted, handwritten letter urging them to vigorously rise up with one body and soul to further enrich our country, our fatherland, as befitting warriors and sons [cheja] of the great leader [suryongnim], thereby vigorously arousing the entire party, all the people, and the entire army to a new struggle for the prosperity and thriving of the fatherland. [applause]

The great leader [yongdoja] Comrade Kim Chong-il devotes everything and strives, night and day, to further increase the might of the country and to further improve the people's livelihood, while upholding the last wishes of the great leader. Today, his noble strivings endlessly touch all party members and workers; vigorously arouse them to new heroic exploits; and help them achieve brilliant success in the struggle to accomplish the party's revolutionary economic strategy.

During these days under our party's leadership [yongdo] when they are building the assets of people for all generations to come and are building grand creations of the Worker's Party, and when they are displaying the heroic spirit of the *chuche* Korea, our people have deeply grasped as their conviction the fact that the dear Comrade Kim Chong-il is really a great patriot, who has most



shiningly inherited and consummated the respected and beloved leader's *chuche*-based cause of building the country, and is an outstanding genius of creation and construction.

The great leader [*yongdoja*] Comrade Kim Chong-il's boundless loyalty to the leader [*suryong*] and his cause shines in a sacred way in that Kim Chong-il has built our country as a military power, more firmly consolidating the military guarantee of the revolutionary cause of *chuche* and brilliantly inheriting the cause of army building pioneered by the leader [*suryong*].

The revolutionary armed forces are a defender of the country and the nation, as well as the most reliable safeguard of the leader's [*suryong*] cause and the popular masses' independent cause.

From early on, while giving top priority to military affairs among other state affairs, the respected and beloved supreme commander Comrade Kim Chong-il has devoted his ardent efforts to building the revolutionary armed forces and to increasing the national defense capability. He has energetically led the task to strengthen and develop the People's Army as the invincible revolutionary armed force that is firmly prepared politically and ideologically, militarily and technologically, while putting forth the task to imbue the entire army with the *chuche* idea as the general duty in army building.

Political and ideological indoctrination work has been strengthened within the army in conformity with the party's policy to imbue the entire army with the *chuche* idea. As a result, all ranks have been firmly strengthened as the army—which possesses a thorough-going revolutionary view of the leader [*suryong*], of the party, and of the people—has been thoroughly established, and as a *chuche*-oriented military system—in which the entire army is moving as one under the party leadership [*yongdo*—has been thoroughly established.

The respected and beloved comrade supreme commander, who has outstanding military wisdom, has developed and enriched our *chuche*-oriented strategies and tactics as well as our (?blitzkrieg-like) art of war, and has built a powerful modern national defense industry, thereby endlessly increasing the combat capability and improving the arms and equipment of the People's Army; at the same time, he has led wisely so all people can be armed and the entire country can be fortified.

Today, our People's Army has grown and developed as invincible combat ranks that can easily vanquish the enemy's military, technological superiority or its political, ideological, strategic, and tactical superiority; it is a one-is-a-match-for-a-hundred revolutionary army which is fully equipped with both a modern means of offense and a reliable means of defense. An all-people defense system, whose core is the People's Army, has been firmly established in our country.

Due to a great, brilliant commander like Comrade Kim Chong-il, our country has been turned into a country possessing an invincible, ever-victorious, strong army; it has been turned into a military power with a self-reliant national defense capability, an impregnable fortress. This is a great victory which is of boundlessly precious significance for the boundless prosperity of the socialist fatherland and for the consummation of the revolutionary cause of *chuche*. [applause]

If the leader [*chidoja*] lacks ability in military affairs, although he is skilled in political affairs, he will not be able to safeguard the precious revolutionary gains that were attained with blood and sweat, and the party and the nation will eventually go to ruin. This is a solemn truth proven by history.

Therefore, our people regard as the nation's greatest happiness the fact that we are upholding the great Comrade Kim Chong-il, the genius of revolution and iron-willed commander who has attained both military and literary achievements and who is equally skilled in military and political affairs, as the leader [*yongdoja*] of the revolution and as supreme commander of the revolutionary armed forces. [applause]

Thanks to outstanding strategy, operation, and the incomparable courage of the respected comrade supreme commander, we have attained victory one after another in political and military confrontation with the enemy, without the sound of the gun, during the days our fatherland and people faced with grave trials the anti-Republic crushing maneuvers [*pangonghwaguk apsal chaektonguro*] of the imperialists and reactionaries in recent years. Through this fact, our people came to keenly realize once again the value of our people's happiness in upholding the great leader [*yongdoja*].

Our people, who greeted the days of glory for national resurrection and for the nation's prosperity in the early days, thanks to the great leader [*suryong*] Comrade Kim Il-song, came to reach the peak of national prosperity and growth in all domains, including political, economic, cultural, and military, under the guidance of the great leader [*yongdoja*] Comrade Kim Chong-il. [applause]

The great political nation, which is boldly establishing the nation's lineage with its own philosophy and which is magnificently implementing independent politics; the strong nation of single-hearted unity in which the leader [*suryong*], the party, and the masses have attained harmonious unity and which is unswervingly advancing along the single road of the *chuche* cause; the prosperous nation in which the world's first-class creations and assets of civilization are constantly increasing and in which the people's happiness is in full bloom; the indomitable nation on which no pressure and offensive can work and which no enemy, no matter how big, can dare provoke; this is today's fatherland and our socialist fatherland built on this land by the great leader [*yongdoja*] Comrade Kim Chong-il, by upholding the



respected leader's [suryongnimui] idea for building the socialist fatherland. [applause]

The great leader [yongdoja] Comrade Kim Chong-il is the outstanding politician who is unswervingly glorifying the popular mass-centered socialism of our own style with genuine socialist politics—politics of benevolence—by cherishing lofty love of and a sense of boundless devotion to the people. [applause]

Socialist politics is, in essence, politics of benevolence, and is to be implemented by the leader [yongdoja] who has lofty moral virtue together with uncommon talents.

The great leader [yongdoja] Comrade Kim Chong-il has personified intact the great leader's [suryongnimui] lofty idea to serve the people like heaven, and who has noble moral virtue to endlessly love the people. He completely guaranteed everything for the popular masses and ensured their position as the master of society so they can fully exercise their rights and enjoy all benefits. By implementing the politics of benevolence, he created a brilliant example of genuine socialist politics. [applause]

The great leader Comrade Kim Chong-il, defining the chuche idea—the idea for greatest love of the people—as his political philosophy, gave priority to the interest and demand of the people when he formulated policies and doctrines, and boldly designed all works based on the principle of bestowing the greatest welfare upon the people, thus carrying the works to accomplishment.

The great leader Comrade Kim Chong-il thoroughly rejected various privileges and misuse of power in the party's works and activities, and led the party so that it takes care of the destiny of the popular masses with a sense of responsibility as the motherly party. He also led the government organizations so that they serve as the genuine head of the family who looks after the people's life. Thus, he saw to it that the popular masses' trust in the party and the government is constantly solidified.

Because such great and benevolent politics are implemented in our country, all the people are upholding the leader [suryongul] as their own father, and trust in and follow the party by regarding the party's bosom as a motherly bosom. The leader, the party, and the masses have constituted one social and political organism that shares destiny and life. In addition, the strong and independent driving force of the revolution, which will not be destroyed by any strength, has been formed.

The great leader Comrade Kim Chong-il, who took charge of and is looking after our revolution and our future, fostered all members of society including workers, peasants, soldiers, and intellectuals, to be revolutionaries by warmly embracing them in his bosom with warm comradely love and a revolutionary sense of obligation. He indoctrinated and reformed even those who made mistakes, not abandoning them, and led them so that they can glorify their social and political life.

Trusting all those who follow our party and support socialism as partners of the revolution without any discrimination, he encouraged and warmly took care of them.

The great leader Comrade Kim Chong-il's politics of benevolence and wide-range politics, which are based on boundless love of and trust in the revolutionary comrades and people, brought about boundless loyalty to the party and the revolution among our people, and turned the whole society into a great family who trust, love, and help each other.

Today all the people are seeking the worth and joy of life on the road of upholding the party and the leader, and the beautiful and laudable communist custom of devoting everything to the interest of social groups and to revolutionary comrades has fully bloomed among them. This is a brilliant fruition of our party's politics of benevolence. [applause]

The lofty spiritual world of our people, who are rendering loyalty and filial piety to the party and the leader by upholding them as the father of their lives and as the pillar of their destiny, was more highly demonstrated during the days when the whole nation was sunk in a sea of tears after losing the fatherly leader, whom they trusted and followed like heaven.

Although days and nights, not to mention the period of mourning, have passed, our people, not forgetting the fatherly leader, constantly visited the statues of the great leader [suryongnimui], which were respectfully set up in historic sites throughout the country, including Mansudae Hill in the capital, expressed their condolences, and rendered greetings to him, overflowing with a sense of respect. By keeping their pledge made before the departed leader, they are creating unprecedented miracles and innovations in production and construction.

By treasuring the sense of respect and absolute loyalty displayed by our people to the fatherly leader and to our party, the great leader Comrade Kim Chong-il said that there are no greater nor more outstanding people than our people and that we are enjoying the blessings by the people. Thus, he personally sent a message of thanks to all people.

There are no such people in the world as ours who are enjoying valuable lives amid the trust and love of the leader [suryong] and the leader [yongdoja], which are like the ocean, and there are no such people as ours who remained endlessly loyal to the party and the leader and who devotedly struggle for the fatherland, for society, and for groups.

That the great leader Comrade Kim Chong-il has fostered the Army and people who are upholding the leader [suryong] and the leader [yongdoja] with clean consciences and a sense of obligation, being infinitely loyal to the party's cause, the cause of socialism, is precisely



not only the most brilliant achievements that he has achieved, but is also a proud victory of the politics of benevolence. [applause]

Indeed, our party's politics of benevolence—the beginning of which was marked by the great leader Comrade Kim Il-song, and which has been brilliantly inherited and developed by the great leader [chidoja] Comrade Kim Chong-il—are not only the genuine politics for the people that most outstandingly realize the aspiration and desire of the popular masses to live independently, but are also the great politics that make it possible for Korean-style socialism to demonstrate its vitality even in tempestuous trials of history and to glorify its true nature as a model of genuine socialism. [applause]

Our people, who have deeply mastered the genuine superiority of socialism of our own style through their practical life, are staunchly traversing the new onward road of the revolution with firm faith in victory, while entrusting their destiny and future to the great leader Comrade Kim Chong-il who is developing and consummating the chuche revolutionary cause by unfolding genuine people-oriented politics.

All revolutionary activities of the great leader Comrade Kim Chong-il, who is faithfully consummating the respected and beloved leader Comrade Kim Il-song's revolutionary cause, are always and closely connected as one with the sacred struggle to achieve national reunification, the supreme desire of the nation.

The great leader Comrade Kim Chong-il—who has wisely led the nationwide reunification movement by presenting outstanding reunification policies in conformity with the demands of the developing revolution and the prevailing situation—is energetically leading the struggle to open a new phase in the struggle for great unity of the whole nation and for the national reunification cause in order to realize at the earliest possible date the lifetime teaching of the respected and beloved leader Comrade Kim Il-song, who tried to add luster to the nineties as the era of national reunification and the ardent desire of all fellow countrymen for national reunification.

Today, fervently revering and following as the lodestar of national reunification and as the great leader [widaehan yongsu] of the nation the respected and beloved leader Comrade Kim Chong-il, who has built a genuine paradise for the people in the northern half of the country through great ideology and politics and, thus, is demonstrating to the world the Korean nation's dignity and honor, the South Korean people and Korean compatriots overseas are vigorously accelerating the great reunification march under the banner of great unity of the whole nation.

Because of the maneuvers by splittists at home and abroad the road ahead for national reunification is still rough and difficult. However, because the dear leader Comrade Kim Chong-il, who is receiving infinite respect

and trust from fellow countrymen as the prominent leader [yongdoja] of the nation and as the guiding star of national reunification, is with us, the dawn of a reunified Korea will come without fail. [applause]

The whole course of the great leader Comrade Kim Chong-il's leadership of the Korean revolution is closely connected with his lofty responsibility for man's independence cause. Considering it the Korean communists' mission of the times to contribute to the world revolution by completely implementing the Korean revolution, the great leader Comrade Kim Chong-il created a brilliant example of socialism in our country. While envisaging and analyzing the complicated situation in the international community with his keen insight, he is clearly elucidating the direction for the revolutionary people of the world by ingeniously presenting the basic direction of the development of the times, as well as the direction and methods of socialist reconstruction.

Thanks to the great leader Comrade Kim Chong-il's profound ideological and theoretical activities and his energetic external activities, the international authority of the Republic has been extraordinarily enhanced today and the chuche Korea is brilliantly demonstrating its position and dignity as a vanguard standard-bearer that guides the times.

The revolutionaries and progressive people of the world are admiring the respected and beloved Comrade Kim Chong-il as an outstanding man of the age of independence, a great guide of the international socialist movement, and an extraordinary leader who will lead the independence cause for the 21st century to victory. Foreseeing the bright future of the world socialist cause from DPRK's socialism, they have vigorously risen for the socialist reconstruction and for the cause of the whole world's independence.

The truly great leader Comrade Kim Chong-il is the greatest figure of loyalty to the leader [suryong] of the revolution, an unsurpassed man who is gifted with peerless, extraordinary leadership and lofty traits, and a revolutionary genius who has accumulated immortal achievements for the victory of the chuche revolutionary cause and for man's independence and who is preparing the bright future of the nation and mankind. [applause]

Because the great leader Comrade Kim Chong-il, who has personified the respected and beloved leader Comrade Kim Il-song's greatness and wins the popular masses' absolute confidence and support, stands at the head of our revolution, the fatherly leader [oboi suryongnim] will live forever in our people's minds as the sun of chuche; our socialist cause will be ever-victorious, overcoming the severe storms of history; and the chuche Korea will radiate brilliant beams with the leader's [suryongnim] esteemed name and will further develop and grow in prosperity throughout the centuries. [applause]

Comrades:



Our revolution has entered a new phase of historic change. Today, our party and people face the heavy and honorable task to completely achieve the chuche socialist cause generation after generation, upholding the teaching left by the great leader Comrade Kim Il-song.

The great leader Comrade Kim Il-song taught:

In order to inherit the chuche revolutionary cause generation after generation and consummate it, our people should well uphold Comrade Kim Chong-il who has both literary and military accomplishments and is victoriously leading the revolution and construction.

It is our people's invariable faith and will that they learned by experience in long revolutionary practice that the decisive guarantee for the ultimate consummation of the chuche revolutionary cause lies in the road ahead of them under the great leader Comrade Kim Chong-il's leadership. [applause]

All party members and working people should absolutely worship [sungbaehago] and follow the great Comrade Kim Chong-il—our destiny, future, and the banner of victory—and uphold the dear comrade leader's leadership with wholehearted loyalty and filial dutifulness. Refreshing the iron faith, in which Comrade Kim Il-song is synonymous with Comrade Kim Chong-il, we should uphold the dear comrade leader [chidoja] with the loyalty and filial dutifulness that we had not devoted enough to the fatherly leader [suryong], and politically and ideologically defend the respected and beloved comrade supreme commander with our lives in all difficulties. [applause]

All party members and working people should resolutely adhere to and purely inherit the tradition of unity and cohesion, the loftiest gain of our revolution, so as to further solidify the single-hearted unity between the party and the revolutionary ranks centered around the great Comrade Kim Chong-il. They should thoroughly establish the revolutionary discipline and order so that the entire party membership, all the people, and the entire Army move as one under the leadership of the dear comrade leader [chidoja]. [applause]

All party members and working people should bear deep in their hearts the slogan of loyalty "Let us more thoroughly arm ourselves with the revolutionary ideology of the great leader Comrade Kim Il-song," and be firmly armed with the revolutionary ideology of the respected and beloved leader [suryong] and the ideological theory of the dear comrade leader [chidoja] so that the entire party membership and the whole society can become a pure ideological body that breathes and moves according to the ideology and will of the fatherly leader [suryong] and the dear comrade leader [chidoja], and any strange ideological element cannot penetrate our ranks. "To vigorously work on with one mind and one will in order to make our country and our fatherland more prosperous as the fighters of the great leader and our glorious party" is the slogan of life and struggle that our people should uphold forever. [applause]

We should consistently adhere to and thoroughly implement our party's chuche-based line for socialist construction so as to further develop our country as a prosperous and civilized country displaying its might of independence, self-reliance, and self-defense, and ceaselessly glorify the popular masses-centered socialism of our own style.

All functionaries, party members, and working people should focus all the work on implementing the great leader Comrade Kim Il-song's teaching of his lifetime, demonstrate the revolutionary spirit of Mt. Paektu and the revolutionary spirit of self-reliance and fortitude, achieve the party's goals of revolutionary economic strategy without fail, and implement the party's idea to improve the people's living standard a step forward. Now, all sectors and units of the people's economy should effect a great new upsurge in production and construction so as to make this year—a significant year of the 50th founding anniversary of the party, and the 50th anniversary of fatherland liberation—the most glorious year in the history of our party and country. [applause]

All the functionaries should learn from the noble example set by the revolutionary martyrs, such as Comrades Kim Hyok, Cha Kwang-su, O Chung-uk, and Kim Chaek, who were endlessly loyal to the revolutionary task given by the great leader, and exert a high sense of responsibility, devotion, and creativity in implementing the party's lines and policies; and by guarding the guardpost entrusted by the party, they should work hard night and day.

The functionaries should cherish self-awareness as the revolution's commanding personnel brought up under the care of the fatherly leader and the dear comrade leader, and devote their all to serving the people as demanded by the party's slogan "We serve the people," and arouse the masses to the revolution and exploits by setting examples and setting examples by practice rather than precept, so that they can fulfill their mission and duty as our party's loyalists and the people's faithful servants.

The situation of our revolution at home and abroad is still complicated and tense. In conformity with the demand of the prevailing situation, we should make continuous great efforts to firmly solidify the country's defense capability so that we may further strengthen our People's Army's combat capability, and thoroughly establish the revolutionary party ethos-based military ethos in the entire Army of implementing the respected and beloved comrade supreme commander's orders unconditionally to the end.

We should establish the ethos of attaching importance to military affairs in the entire society, solidify the all-people, all-state defense system more firmly, and highly display the noble ethos of Army-people harmony.

The country's reunification is our people's supreme task for the nation, and a historical cause to which the great



leader devoted his life. We should uphold our party's national reunification policy by means of a confederal system based on the three principles of independence, peaceful reunification, and great national unity, and wage a vigorous pannational reunification movement. By reunifying the country in the nineties with the united strength of the entire nation, we should bring into full bloom the fatherly leader's lifelong desire in the entire land of Korea. [applause]

Consistently implementing the external policy of independence, peace, and friendship inheriting the great leader Comrade Kim Il-song's noble will, our party and people will continuously strengthen friendship, unity, and international solidarity with the peoples of many countries of the world based on independence, equality, and socialist ideals, and make a continuous vigorous struggle for the revival of socialism and the independence of the entire world.

The road of the revolution we must traverse is still long and rugged, but nothing in the world can block our people's vigorous march advancing under the ever-victorious banner of the chuche idea upholding the great leader of our party and our people Comrade Kim Chong-il, and there will only be victory and glory in our future. [applause]

Let us all firmly unite around the party Central Committee centered around the great Comrade Kim Chong-il [widaehan kimjongil tongjirul chungsimuro hanun] and wage a vigorous struggle for the independent and peaceful reunification of the country and the completion of the chuche revolutionary cause. [applause]

We respectfully wish the great leader of our party and our people Comrade Kim Chong-il long life and good health for the wealth, strength, and development of the country, for the happiness of the generations to come, and for the strengthening and development of our party and the ultimate victory of the chuche revolutionary cause. [applause]

Long live the great leader of our party and our people Comrade Kim Chong-il! [applause]

#### **Leaders, Youth Present at Soiree**

*SK1602084295 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 15 Feb 95*

["Soiree" of the Pyongyang youth and students celebrating Kim Chong-il's birthday held at the Central Youth Hall in Pyongyang on 15 February: "Youth Vanguard's Song of Loyalty in Honor of General Kim Chong-il"—recorded]

[FBIS Translated Excerpt] This is the Central Youth Hall. A soiree of the Pyongyang youth and students celebrating the birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people,

"Youth Vanguard's Song of Loyalty In Honor of General Kim Chong-il," will take place here. [passage describing the meeting hall omitted]

Present at the soiree were Comrades Yi Chong-ok, Kim Yong-nam, Kye Ung-tae, Choe Tae-pok, Choe Yong-nim, Yang Hyong-sop, Kim Chung-nin, Hwang Chang-yop, Kim Hwan, Kim Yun-hyok, Pak Nam-ki, and Chon Mun-sop; senior officials of party and state institutions, administrative and economic institutions, and labor organizations; anti-Japanese revolutionary fighters; generals of the Korean People's Army; and officials of scientific, educational, cultural, arts, publication, and mass media organizations. [passage on the proceedings of the soiree omitted]

#### **KCU Organizations' Meeting Held**

*SK1602152195 Pyongyang KCNA in English 1505  
GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February (KCNA)—A national joint meeting of the organizations of the Korean Children's Union [KCU] celebrating the 53rd birthday of the great leader Comrade Kim Chong-il was held in a grand style today at the Pyongyang indoor stadium.

The meeting was attended by some (?1,000); people including the representatives of the Children's Union from the provinces, school children in Pyongyang, educators, and officials of the League of Socialist Working Youth [LSWYK], heroes, soldiers of the Korean People's Army and parents of school children.

Present there were Premier Kang Song-san and Vice-president Yi Chong-ok, who are members of the Political Bureau of the [words indistinct] Workers' Party of Korea, and other senior party and government officials.

A ceremony of the Children's Union took place before the meeting.

The flag bearing a portrait of the great leader President Kim Il-song and the flag bearing a portrait of Comrade Kim Chong-il were carried into the hall.

Choe Yong-hae, chairman of the LSWYK Central Committee, made a congratulatory report at the meeting.

"Today the members of the Children's Union are faced with the honourable task to carry to accomplishment through generations the revolutionary cause of chuche started on the Mt. Paektu, following the respected general under the slogan always be prepared for respected General Kim Chong-il," He said, and stressed:

"Cherishing deeply in minds that respected General Kim Chong-il is our heaven and destiny, the members of the Children's Union should (?believe) and follow to the end only the general, the father, as the sunflower follows the sun and become loyal and filial sons who think of the good health and long life of the general above everything



else, awake or sleep." A ceremony of admitting children to the Korean Children's union was held.

The children to be admitted made an oath at the call of an anti-Japanese revolutionary fighter, and senior officials of the part and the government and the anti-Japanese revolutionary fighters, heroes and men of meritorious services tied red neckerchiefs around their neck and pinned badges of Children' Union on their chests.

#### **CPC Central Committee Sends Flowers**

*SK1502150095 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 15 Feb 95*

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il received a flower basket from the CPC Central Committee. The CPC Central Committee sent the flower basket to the great leader [yongdoja] of our party and people Comrade Kim Chong-il to congratulate his birthday.

On 14 February Qiao Zonghuai, PRC ambassador extraordinary and plenipotentiary to the DPRK, conveyed the flower basket to Hwang Chang-yop, secretary of the Workers' Party of Korea Central Committee, to give to Comrade Kim Chong-il.

The words "We enthusiastically congratulate Comrade Kim Chong-il's 53rd birthday" were written on the ribbon of the flower basket.

During the meeting, the ambassador said that upon authorization, he conveyed the CPC Central Committee's flower basket as well as the most enthusiastic and warm greetings of the PRC's party and government leading cadres—including Comrades Jiang Zemin, Deng Xiaoping, Li Peng, Qiao Shi, and Li Ruihuan—to Kim Chong-il on the occasion of the 53rd birthday of the great leader [yongdoja] of the Korean people Comrade Kim Chong-il.

He said that they regard it as the greatest honor and happiness to celebrate, along with the Korean people, Comrade Kim Chong-il's 53rd birthday which is the Korean people's greatest national holiday, and added that he wishes Comrade Kim Chong-il health and long life.

#### **Birthday Message From Chongnyon**

*SK1602051795 Pyongyang KCNA in English 0450 GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 16 (KCNA)—The great leader Marshal Kim Chong-il today received a congratulatory message from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on his birthday.

The message says respected Marshal Kim Chong-il has performed undying feats which will shine through centuries by devoting his all to the work for the party and the leader, the country and the people up to this date ever

since he embarked upon the road of revolution, regarding it as his lifelong mission to accomplish the cause of chuche pioneered by the great leader President Kim Il-song.

Thanks to your guidance, respected Marshal Kim Chong-il, the chuche idea founded by the great leader President Kim Il-song is throwing eternal light as their guiding idea of the era of independence and, under your magnanimous politics of love and trust, our republic is proud of being the most superior anthropocentric ideal society of socialism and a beacon of hope for the world progressive humankind, the message says, and goes on:

"You have developed and enriched the idea and theory of the great leader on the chuche-based movement of overseas Koreans from your early years and guided the General Association of Korean Residents in Japan (Chongnyon) to exalt its honor as the model frontrunner of the overseas compatriots movement worldwide."

"On the significant holiday of February, we are filled with the unshakable resolution to entrust our destiny entirely to you with the firm faith that to uphold you, the great leader Marshal Kim Chong-il, with loyalty and filial devotion is the bright way of a triumphant progress of the movement of Koreans in Japan and of our happiness."

The message expresses the resolution to make this year in which fall the 50th anniversaries of the founding of the Workers' Party of Korea and the national liberation and the 40th anniversary of the formation of Chongnyon a most significant year in the history of the movement of Koreans in Japan.

It sincerely wishes respected Marshal Kim Chong-il good health and a long life.

#### **Hanminjon Sends Congratulations**

*SK1602060795 Pyongyang KCNA in English 0444 GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 16 (KCNA)—The great leader Comrade Kim Chong-il received a congratulatory message from the Central Committee of the South Korean National Democratic Front (Hanminjon) on his birthday.

The message dated Feb. 16 extends warmest congratulations to him and wishes him good health and a long life. It praises respected Comrade Kim Chong-il as a great leader, a great hero and a great person without precedent in history, who has created a new legend-like history and performed tremendous exploits with brilliant wisdom, extraordinary leadership ability and noble virtues, possessed of literary and military accomplishments, loyalty and filial piety.

It is the greatest fortune and highest honour of the 70 million Koreans and the progressive people of the world



to have the great Comrade Kim Chong-il as an outstanding leader of the era of independence, the message says.

"As we have you as the savior of our destiny and the banner of the chuche idea is flying vigorously in the van of our march, we have been able to put the mass movement for independence, democracy and reunification on a new track in face of the wind of anti-communism and fascism," it said, adding:

"We will bring your great personality, respected General Kim Chong-il, home to the masses and concentrate all our efforts on modelling the ranks of Hanminjon on the chuche idea and building up the driving force of the social change.

"It is the unshakable will of the vanguard fighters and the patriotic people in South Korea to open a radical phase in the movement for national reunification this year in which falls the 50th anniversary of the August 15 liberation of Korea. We will make a new breakthrough in progress toward independence, democracy and reunification under the banner of the 10-point programme of the great unity of the whole nation."

#### **Gift From Thai Party Leader**

*SK1602054395 Pyongyang KCNA in English 0431 GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—The great leader Comrade Kim Chong-il received a gift from the visiting delegation of the Thai Liberal Righteous Party on his birthday.

The party's leader Athit Urairat who is heading the delegation handed the gift to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea today.

#### **Gift From Jordanian Party Leader**

*SK1602054195 Pyongyang KCNA in English 0430 GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—The great leader Comrade Kim Chong-il received a gift from the visiting general secretary of the People's Unity Party (Unionist) of Jordan, Talal al-Ramahi.

The Jordanian party leader handed his gift to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

A gift from the party's Political Bureau to Comrade Kim Chong-il was also conveyed.

#### **Chuche Institute Sends Flowers**

*SK1602054695 Pyongyang KCNA in English 0501 GMT 16 Feb 95*

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA)—The great leader Comrade Kim Chong-il

received a floral basket and gift from the International Institute of the Chuche Idea (IIJI) on his birthday.

The visiting secretary general of the IIJI, Kenichi Ogami, handed the floral basket and the gift to an official concerned.

### **South Korea**

#### **IAEA Plans Team, Equipment Increase in North**

*SK1602070395 Seoul CHUNGANG ILBO in Korean 16 Feb 95 p 2*

[Report by Choe Won-ki]

[FBIS Translated Text] It was learned on 16 February that the International Atomic Energy Agency [IAEA] plans to install another camera inside nuclear reprocessing facilities in Yongbyon, North Korea. In addition, IAEA intends to increase to four the number of its inspection team members permanently stationed in North Korea.

Hans Meyer, a spokesman of the IAEA, in a telephone interview with a CHUNGANG ILBO reporter, stated that "with the surveillance camera installed outside the reprocessing facilities in Yongbyon, it is difficult to watch fully conditions inside the facilities. This being the situation, the IAEA has judged that another camera should be installed inside the building."

#### **Minister Rebukes North Refusal of South Reactors**

*SK1602044895 Seoul KBS-1 Radio Network in Korean 0400 GMT 16 Feb 95*

[FBIS Translated Text] Regarding North Korea's threat in a Foreign Ministry spokesman's statement on U.S. insistence on ROK-type light-water reactors, that it would invalidate the U.S.-North Korea agreement on the nuclear issue signed in Geneva, the ROK Government stated that the statement was not convincing [soltung-nyokto opsumyo] and the ROK Government's position remains unchanged that ROK-type light-water reactors must be selected.

Kim Tok, deputy prime minister and minister of the National Unification Board, stated the government position in a meeting of the standing committee of the Advisory Council for Democratic and Peaceful Unification on 16 February. He said the ROK-type light-water reactors, which have been developed in accordance with our situation and environment, are the desirable type of reactors to be built on the Korean peninsula, not only in safety terms but also in the common interests of the nation.

Deputy Prime Minister Kim Tok again urged North Korea to immediately suspend slander and denunciation against the South, and sincerely respond to the ROK Government's proposal made on 3 February, which



called for the participation of separated families in the Pyongyang Festival, and exchange of journalists.

### **U.S. Plans Use of Intermediary in Reactor Issue**

*SK1602032295 Seoul YONHAP in English 0228 GMT 16 Feb 95*

[FBIS Transcribed Text] Tokyo, Feb. 16 (YONHAP)—The U.S. Government plans to have an American company play an intermediary role in supplying South Korean standard model light-water nuclear reactors to North Korea, as North Korea rejects the plan to receive these reactors directly from a South Korean company, the NIHON KEIZAI SHIMBUN reported in a Washington dispatch Thursday.

Citing U.S. Government officials, the report said Bechtel, Westinghouse and several other firms have already applied to the state department for the position.

As negotiations with North Korea have hit a snag because of Pyongyang's resistance to the South Korean reactor model, the U.S. Government is seeking to make a breakthrough by having an American company participate in the reactor deal as an intermediary, the Japanese-language economic newspaper said.

Under the plan, the Korea Energy Development Organization (KEDO), an international consortium responsible for supplying light-water reactors to North Korea under the nuclear accord in Geneva last October, will pick the intermediary from among the U.S. candidate firms in an open bid and will name it project manager responsible for North Korea's reactor project, it explained.

Under a contract with the KEDO, the project manager will negotiate between the North and South Korean prime contractors of the project and will have a say in their selections of subcontractors.

The newspaper said North Korea is concerned that acceptance of South Korean-made reactors would inevitably lead to direct deals with South Korean firms, resulting in North Korea's loss to South Korea of the leading role in the implementation of the Geneva accord.

The U.S. officials were quoted as saying that an American firm's intermediary role would make it easier for North Korea to accept the South Korean reactor model.

South Korea will also agree to the U.S. plan for an American firm's intermediary role because it does not run counter to Seoul's plan to supply reactors to North Korea, the officials were further quoted as saying.

### **Seoul on North Threat To Reject Nuclear Accord**

*SK1602072095 Seoul YONHAP in English 0701 GMT 16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—North Korea fully understands that it should accept South Korean-standard model nuclear reactors if it is to

implement the nuclear deal with the United States, a Foreign Ministry spokesman said Thursday.

"The threat by North Korea to walk away from a landmark nuclear agreement with the United States is, therefore, nothing more than a hackneyed 'cliff-hanging' negotiation strategy of the North," said the spokesman, commenting on the threat made by the North Wednesday.

"The threat itself is intended for the United States and, thus, it is inappropriate for us to respond to it at a higher level," he added.

A North Korean Foreign Ministry spokesman said Wednesday that they would rather scrap the nuclear agreement with the United States in its initial stage "than spend time debating the inadequate provision of light-water nuclear reactors (to North Korea)."

In the remarks carried by (North) Korean Central News Agency (KCNA), the spokesman also said that they would have nothing to lose "even if the agreement were scrapped now".

### **DPRK Urged To Observe N-S Basic Accord**

*SK1602080095 Seoul YONHAP in English 0753 GMT 16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—The Advisory Council on Democratic and Peaceful Unification (ACDPU) on Thursday called on North Korea to observe the inter-Korean basic agreement and joint declaration on the denuclearization of the Korean peninsula.

In a five-point statement addressed to North Korea released after a meeting of its standing committee, the council also requested Pyongyang to faithfully implement the Geneva nuclear accord, settle such humanitarian issues as the reunion of dispersed families, adopt open-door, reform and democratization policies, and renounce its unification front strategy.

Kim Tok, vice prime minister and unification minister, presented a report on the government's unification policies at the session while ACDPU Secretary-general Pak Sang-pom gave an account of the council's business plan of the year.

### **Russian Vice Minister Interview on Nuclear Issue**

*SK1602104395 Seoul CHUNGANG ILBO in Korean 15 Feb 95 p 6*

[Interview with Russian Vice Foreign Minister Aleksandr Panov by Moscow correspondent An Song-kyu at the Russian Foreign Ministry building in Moscow—date not given]

[FBIS Translated Text] [An] U.S. nuclear ambassador [title as published] Robert Gallucci recently visited Moscow. What did you discuss with him?



[Panov] We discussed North Korea-U.S. negotiations and the Korea Energy Development Organization [KEDO]. I told him that we were optimistic and that North Korea would eventually agree on the ROK model.

[An] What do you think of the KEDO's future?

[Panov] Its future is not clear in many respects. North Korea rejects the ROK model. Therefore, no agreement may be reached on this issue even if the KEDO is formed. As preconditions, Japan [as published] demands North Korea resume dialogue with South Korea and completely abide by the Nuclear Nonproliferation Treaty. The recent ROK-U.S. decision to resume the Team Spirit exercise makes this matter complicated.

[An] Will Russia participate in the KEDO?

[Panov] We hope, in principle, to join in the KEDO. However, we have not mentioned specific roles we hope to play. It is difficult for me to lay down conditions under which we will join in the KEDO.

[An] Do you think North Korea is in a position to reject the ROK model?

[Panov] The United States has said North Korea has no other alternative. However, North Korea has always said it would be North Korea that would make a final decision.

[An] Did the Russian delegation, which recently visited Pyongyang, discuss this matter with North Korea?

[Panov] North Korea clearly stated it wants the Russian-model light-water reactors. We know that North Korea said it prefers Western models, except for the ROK model, during its negotiations with North Korea, even though it told us it prefers the Russian model.

[An] What other issues did the Russian delegation extensively discuss with North Korea?

[Panov] We extensively discussed mutual cooperation in the atomic energy field. We signed a mutual cooperation agreement in 1985. The agreement has begun to become effective now, even though its effect was temporarily suspended when the North Korean nuclear crisis was heightened. Experts are now holding working contacts to decide on areas of cooperation between the two countries.

[An] Russia must formulate its position on revising the DPRK- Soviet Treaty on Friendship, Cooperation, and Mutual Assistance by June this year. Would you comment?

[Panov] I have nothing to add to the remarks by President Yeltsin and Foreign Minister Kozyrev that the treaty is virtually dead. Russia interprets the clause on automatic military intervention differently than it used to. It also maintains the position that this clause is no longer valid.

### No 'Drastic Progress' Expected in N-S Relations

SK1602040995 Seoul THE KOREA TIMES in English  
16 Feb 95 p 2

[FBIS Transcribed Text] Deputy Prime-National Unification Minister Kim Tok said yesterday that no drastic progress in inter-Korean relations is expected this year as North Korea is expected to step up its propaganda campaign aimed at causing confusion in the South.

Kim made the remark while reporting on his ministry's activities of this year at a meeting of the National Assembly's Committee on Foreign Affairs and National Unification attended by Foreign Minister Kong No-myong.

"The North is expected to step up its propaganda offensive to cause a split in national opinion this year which will see the holding of the local elections in June as well as the 50th anniversary of the nation's liberation from Japanese rule," the deputy-premier said.

Under this situation, Kim continued, it is beyond anyone's expectations to believe South-North relations will improve this year.

He said North Korea's de facto leader Kim Chong-il has lately increased his public appearances, for example, to a coastal artillery position and a naval unit.

"This shows that Kim is now cultivating the image of new great leader of the country and the North's propaganda machine is working to reinforce Kim's personality cult and his position as the only successor to his father Kim Il-song," Kim said.

The top unification policymaker expressed deep concern about some business groups' hasty rush to the North. "Their reckless moves could cause some problem in step-by-step implementation of economic cooperation with the North," he said.

In this connection, Kim said, the government needs to strengthen its intervention in private-level economic cooperation to minimize undesirable side-effects such as overheated competition among business groups.

Meanwhile, Foreign Minister Kong stressed the need to strengthen cooperation between Seoul and Washington to completely resolve the North Korean nuclear issue by forcing the North to implement the Geneva accord.

In this relation, Kong revealed that Washington plans to announce the decision scrapping its plan to reduce United States troop levels in Korea.

He said Seoul and Washington will closely consult on when to allow the North to open its liaison office in Washington, taking into consideration how sincere the North is in implementing the Geneva accord.

At the meeting, main opposition Democratic Party lawmakers urged the two top diplomatic and security policymakers to set a prudent North Korea policy, saying



that one-sided pressure on the communist country does not work as seen in the last nuclear talks with the North.

### **Aims of Kim Chong-il Birthday Celebration Viewed**

*SK1602064395 Seoul CHUNGANG ILBO in Korean 15 Feb 95 p 5*

[Article by Cho Won-ki]

[FBIS Translated Text] North Korea is holding nationwide large-scale celebrations on the first birthday of Kim Chong-il since Kim Il-song's death.

Two purposes are hidden behind the grandiose celebrations on Kim Chong-il's birthday. One is to demonstrate externally the smooth succession of power, and the other is to convert internally the atmosphere of mourning over Kim Il-song's death into an atmosphere of upholding Kim Chong-il.

To these aims, North Korea first declared Kim's birthday the greatest national holiday. Accordingly, North Korean residents will not work on 16 and 17 February. In the past, they celebrated 16 February as a festive day and took another day off on 17 February as a holiday. However, they had to do extra work later to make up the missed labor for 17 February. Pyongyang citizens are likely to participate in soirees to enjoy mass performances in music and dancing on the evening of 16 February and visit Moranbong Park or Mangyongdae Resort with their children on 17 February. It is also expected that most North Korean residents will worship at Kim Il-song statues during the holidays.

In the meantime, cadres of the Workers' Party of Korea will participate in celebrations to be held at 8 February Hall of Culture, which has a seating capacity of 6,000, and other places.

In addition, the 2 million soldiers of the Korean People's Army will hold a rally to express and harden their loyalty to Kim Chong-il.

Various celebrations are being prepared overseas, too.

However, experts anticipate that Kim Chong-il, who will be 53, will not appear at any event.

At present, North Korea is trying to create an image of "the leader in grief over his father's death, but who still works hard, keeping out of sight," and probably thinks it is not desirable for Kim Chong-il to show up at his birthday celebrations. Accordingly, it is very possible that the North Korean media will keep silent on 16 February and report his on-the-spot guidance on 17 or 18 February.

Meanwhile, it is observed that the North Korean residents will not receive big gifts on Kim's birthday this year, contrary to their expectations. North Korea used to order birthday gifts from Hong Kong and Macao every

year when Kim Il-song was alive, but it has been confirmed that North Korea did not order anything this year.

Accordingly, most North Korean residents will have to be satisfied with receiving hard cookies, usually called brick cookies, and candy.

### **\* NUB Reports on Number of N-S Family Contacts**

*95p30044a*

[EDITORIAL REPORT] Citing the National Unification Board (NUB), the 14 January HANGYORE SINMUN in Korean reported on page 4 that between June 1989 through December 1995, 1,999 ROK families managed to meet or contact family members in North Korea with NUB approval: 2,231 letters were exchanged, 650 families learned about surviving family members, and 59 families were reunited in a third country. Over 85 percent of the reunion cases used overseas Koreans, often relatives, as go-betweens, and 13 percent were arranged through various friendship promotion organizations. As for third countries that provided the meeting venues, China was first with 52 percent, followed by the U.S. with 35 percent, Japan with 6 percent, and Canada with 3 percent.

According to NUB, the actual number of North and South family contact cases is probably much higher than the 1,999 registered cases because of the large number of contacts not reported to NUB. Also, according to HANGYORE SINMUN, NUB has no official records of gifts, including cash, sent to North Korea. NUB believes that a fair amount of cash and goods were sent to North Korea via third countries. NUB's new North Korean policy will allow ROK families to send cash and merchandise to North Korean families through an official channel, but once the channel opens, NUB will require a report of cash or list of gifts sent to North Korea. It is possible that South Korean families will continue to send gifts through unofficial channels.

### **Defense Official: Team Spirit Slated for Mar-Apr**

*SK1602020795 Seoul THE KOREA TIMES in English 16 Feb 95 p 1*

[By staff reporter Sim Chae-yun]

[FBIS Transcribed Text] South Korea and the United States have agreed to hold their annual joint military exercise Team Spirit this year sometime between March and April, a Defense Ministry official said.

"The exercise will be conducted this year," Col. Pak Tong-hyong in charge of the defense-oriented war game told THE KOREA TIMES.

He said the ministry will make the decision public next week to resume the exercise which was not held last year to help produce a nuclear agreement between the U.S. and North Korea.



Chairman of U.S. Joint Chiefs of Staff Gen. John Shalikashvili and his South Korean counterpart Gen. Kim Tong-chin agreed on the resumption of the drill when they met on Jan 19 in Seoul, Col. Pak said.

A U.S. military spokesman backed Col. Pak's statement by saying, "We are continuing plans for the Team Spirit exercise."

"We are waiting for final instructions from the civilian leadership from both the United States and South Korea," spokesman Jim Coles said.

U.S. Assistant Secretary of State Winston Lord will visit Seoul on Feb. 22 to discuss the matter and ways to implement the nuclear deal with Korean officials, Col. Pak said.

It is the first time that the Defense Ministry clarified its stance on the thorny issue of carrying out the annual military exercise.

"Korean and U.S. Armed Forces here have been taking all necessary steps to resume the military exercise," he said.

Col. Pak hinted the exercise will be conducted sometime in late March or early April.

"The exact date will be made under close consultation between (South) Korea and the United States. My opinion is that the date will be late March or early April in light of prior timing," he said.

He indicated that the exercise will be a massive one with the participation of U.S. military personnel from the mainland U.S., its Pacific Command in Hawaii and from Japan as well as those stationed here.

But he declined to give specific figures for participating military forces, saying, this would be determined by consultation between the two governments.

"The matter seems to be solely dependent upon whether or not North Korea will carry out faithfully its nuclear agreement with the United States," he said.

#### **Governments 'Watch' DPRK Moves**

*SK1602021195 Seoul YONHAP in English 0142 GMT 16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—South Korea and the United States tentatively decided not to hold Team Spirit, the annual joint military exercise, at least in the first half of this year, a government official said Thursday.

"Despite that the consistent position of Seoul and Washington is that the two countries will hold Team Spirit every year to beef up their combined combat readiness, they will suspend it completely should North Korea faithfully comply with its nuclear agreement with the United States," the official said.

He said that the two countries have tentatively decided to suspend the exercise in the first half of this year to watch North Korea's move for implementation of the agreement.

"If North Korea fully accepts South Korean-standard model light- water reactors and resumes the dialogue with South Korea in an effort to faithfully implement the Geneva agreement, then this year's Team Spirit will not be held at all," he said.

The two nations will, however, still continue to prepare for the exercise to proceed any time in the second half in case North Korea fails to implement the agreement, he added.

"The Team Spirit exercise is necessary as long as North Korea's military threat continues to exist and South Korean-U.S. combined defense system is maintained. But we decided on the flexible policy, considering that North Korea is demanding the suspension of Team Spirit, linking the exercise to its implementation of the Geneva agreement," he said.

#### **Paper Discusses U.S. Trade 'Pressure' on Seoul**

*SK1602100795 Seoul CHUNGANG ILBO in Korean 15 Feb 95 p 3*

[Editorial: "The Increasing U.S. Pressure on Market Opening]

[FBIS Translated Text] It seems that the U.S. trade policy is becoming more offensive. The U.S.' stern attitude shown in the recent conflict with China over intellectual property rights and the trade pressure applied on the ROK in various ways and demands made are unusual.

In a President's economic report recently submitted to Congress, the U.S. Government declared that it would expand its exports to big emerging markets. This indicates that the Clinton government will assume a strong policy to expedite exports to some selected countries. Accordingly, it is expected that the U.S. trade pressure on the 12 countries characterized as big emerging markets, including the ROK, will be very comprehensive and strong.

As a part of its strategy to achieve this goal, the U.S. Administration stated that it would focus on the removal of various non-tariff barriers, the expansion of direct investments, and the observation of environmental and labor standards in various types of trade negotiations in the future. In particular, the United States points out that the opening of agricultural, service, industrial and intellectual property rights, and government procurement markets are the main targets. Regarding market access, the United States has presented phased tasks and strategies, such as the plan to hold intensive discussions on blocking private enterprises' market access by controlling circulation networks and building an exclusive sales network.



Our government seems to believe that the U.S. policy will not pose any particular problem for us because our trade with the United States is almost balanced currently and because our market has already opened considerably. However, this issue is not as simple. The United States has made more and more demands in a series of talks between ROK and U.S. foreign and trade ministers held in the United States recently. Moreover, more careful countermeasures by ROK industries are required in the fields stressed in the U.S. President's report as those the United States is interested in.

The ROK efforts toward market opening have not been assessed satisfactorily because of irreconcilable remarks and behaviors by officials in charge of trade diplomacy and because of the government's inconsistent policies. The first thing that should be corrected in our trade diplomacy is inconsistent policies. A consistent and undaunted trade diplomacy of simply accepting what must be accepted while opposing what is unreasonable is now truly required.

#### **President Selected for Global Leadership Award**

*SK1502064195 Seoul YONHAP in English 0626 GMT 15 Feb 95*

[FBIS Transcribed Text] New York, Feb. 14 (YONHAP)—The UN Association of the United States of America announced Tuesday that it has selected South Korean President Kim Yong-sam as the recipient of its global leadership award this year.

Thomas Morgan, president of the association, said that the group has selected President Kim to pay tribute to him for his lifelong struggle for the progress and development of democracy, as well as to highly rate his continued support for and active participation in the United Nations.

The awarding ceremony will be held in October this year when President Kim visits the UN headquarters to participate in the special summit meeting commemorating the world body's 50th anniversary. The ceremony will be attended by the UN secretary-general, ambassadors to the United Nations and other figures from various organizations.

The association presents the award annually to world leaders who contributed greatly to the development of human society under the principle and spirit of the UN Charter.

Famous leaders including UN Secretary-General Butrus Butrus-Ghali, former chairman of the U.S. Joint Chiefs of Staff Colin Powell and former Mexican President Carlos Salinas have previously won the award.

#### **PRC: ROK Industries Total 290 in Beijing**

*SK1402121795 Seoul YONHAP in English 1154 GMT 14 Feb 95*

[FBIS Transcribed Text] Hong Kong, Feb. 14 (YONHAP)—The number of the South Korean industries

doing business in Beijing, China stood at 290 as of the end of last January and their direct investment totaled 223 million U.S. dollars.

South Korea was the seventh-largest investor country in Beijing.

The latest figures compiled by the Beijing municipal authorities available here Tuesday [14 February] showed Hong Kong was the largest investor country in Beijing. Its industries there numbered 4,438 with investment totaling 8,419 million dollars.

The second largest investor country was the United States, 1,611 industries of which invested some 1,695 million dollars in all. Taiwan ranked the third with its industries there numbering 1,293 and investment 1,103 million dollars.

The fourth went to Japan. A total of 850 Japanese industries invested 1,024 million dollars in the capital city.

The European Community saw 350 of its industries invest some 850 million dollars and Singapore ranked the sixth with investment in Beijing by 336 industries totaling 425 million dollars.

The number of South Korean industries and their investment in Beijing accounted for 2.8 and 1.48 percent of the total foreign industries and investment there, the figures said.

#### **Uzbek President Karimov, Foreign Minister Visit**

##### **Karimov, President Kim Hold Talks**

*SK1602053895 Seoul YONHAP in English 0445 GMT 16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—President Kim Yong-sam held talks with his Uzbekistani counterpart, Islam Karimov, Thursday morning and the two summit leaders resolved to further develop cooperative relations in trade, investment and other areas.

During the 70-minute summit talks held at Chongwadae, they also agreed to make special efforts to promote cooperation in the fields of agriculture, energy, mining, communications, transport, construction and natural resources development.

In a joint declaration on strengthening mutual cooperation signed after the meeting, the two presidents agreed the two countries will activate committees for trade and economic cooperation in order to expand these areas.

They also agreed to make efforts to expand the legal basis to promote cooperation in the fields of trade and investment through an early conclusion of the double taxation avoidance accord and the commercial arbitration agreement.

Both presidents agreed to make efforts to jointly establish a science and technology committee to promote and



expand the wide- ranging cooperation in such mutual interest fields as culture, education, sports and tourism.

The joint declaration urged the two countries to further strengthen cooperation within the international community, including the United Nations, to promote human welfare through areas of common interest such as free trade, environmental conservation and reduction of weapons of massive destruction.

In the declaration, Uzbekistan fully supports the intention of South Korea to take an active part in the United Nations as a non- permanent member of the UN Security Council.

During the meeting, President Kim particularly asked for the Uzbekistani Government's continued concern for ethnic Koreans living in that country, pointing out that Uzbekistan has the largest number of ethnic Koreans (about 200,000) among the Commonwealth of Independent States (CIS) countries.

After the Chongwadae meeting, President Karimov paid a visit to the national cemetery in Tongjak-tong, Seoul, and laid wreaths. Later in the day, he attended a luncheon meeting at the Shilla Hotel hosted by the chiefs of South Korean economic organizations.

President Karimov is scheduled to meet Deputy Premier and Finance-Economy Minister Hong Chae-hyong later in the day and to join a state dinner at Chongwadae hosted by President Kim.

#### **Ministers Kong, Kamilov Meet**

*SK1602112195 Seoul YONHAP in English 0816 GMT  
16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)— Foreign Minister Kong No-myong met with his Uzbekistani counterpart Abdulaziz Kamilov Thursday afternoon to discuss bilateral trade and political issues and to sign five memoranda of understanding (MOUS) on tourism, education, telecommunications, broadcasting and agriculture, the Ministry of Foreign Affairs said.

The two foreign ministers focused their talks on ways to enhance trade and investment between the two countries, to cooperate in the development of economies of the two countries and to assist the training of engineers, said a Foreign Ministry spokesman.

Kong and Kamilov expressed their satisfaction with the bilateral and multilateral cooperation underway and agreed to continue the cooperation afterwards, said the spokesman.

At the end of the talks, the two signed the MOUS which they hoped would further improve bilateral relations, he said.

Kamilov is accompanying Uzbekistani President Islam Karimov on a three-day visit to the country at the invitation of President Kim Yong-sam.

#### **Kim Hosts Dinner for Karimov**

*SK1602123095 Seoul YONHAP in English 1201 GMT  
16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)— President Kim Yong-sam said on Thursday evening that South Korea and Uzbekistan can form a bridge between Central Asia and Northeast Asia on the strength of the friendship and cooperation existing between the two countries.

In a speech at a state banquet he hosted for visiting Uzbekistani President Islam A. Karimov at Chongwadae [presidential offices], President Kim said he is sure the economic development plan Uzbekistan has been promoting will succeed without fail.

"We can share our economic development experiences with your country along a road toward common prosperity," Kim said.

President Karimov, in his table speech, said Korea and his country have a lot in common since long ago in the areas of history, culture and customs.

"We are accustomed to the Korean people's unique tradition of warm hospitality toward guests, respect for elder people and trust in friends," Karimov said.

He said South Korean industries with much experiences will be able to find mutually profitable projects in his country.

The state dinner lasted about two hours. It was attended by about 180 guests including senior foreign diplomats in Seoul and those Uzbekistani officials who were accompanying President Karimov.

#### **Ambassador to Japan Interviewed on Relations**

*SK1602063495 Seoul TONG-A ILBO in Korean 15 Feb  
95 p 5*

[Interview with Kim Tae-chi, ROK ambassador to Japan, by Kim Cha-su; date and place not given—first two paragraphs are TONG-A ILBO introduction]

[FBIS Translated Text] On 14 February, Kim Tae-chi, the new ROK ambassador to Japan, said that "since there is a residue of emotion [kamjongui angum] between the ROK and Japan from an unfortunate past history, many difficult problems are ahead of us. The two nations should pioneer the future with an attitude of mutual cooperation."

Ambassador Kim, holding a news conference, revealed his plans for future activities.

[Kim Cha-su] What are the impending issues that should be resolved between the ROK and Japan?

[Ambassador Kim] I think that most of the impending issues are from past events. For example, the comfort women issue and the issue of Korean residents in Sakhalin are impending problems.



[Kim Cha-su] What steps should the Japanese Government take to liquidate past events?

[Ambassador Kim] Only when Japan, the offender, expressly apologizes first through remarks and takes appropriate steps, can the foundation for liquidation of the past be laid.

At the same time, I personally feel our economic condition should be improved so ROK-Japan relations will advance in a good direction. If the economy would improve, one would have serenity of mind. As a result, one may attempt less to pick a quarrel with others, and may refrain from rashly criticizing others. This being the case, it is necessary for Japan to actively support ROK's effort for economic development.

[Kim Cha-su] What opinion do you have concerning the issue of opening to Japan's mass culture?

[Ambassador Kim] I understand that Foreign Minister Kong No-myong said sometime ago that it is now time for us to decide if we should open the door to Japanese culture. In the past, opening to Japanese culture was a difficult issue to raise. Such remarks by the minister show that ROK-Japanese relations are normalizing. ROK and Japan share the common points of democracy and market economy. Therefore, it is unthinkable that we should continue to close our door to Japanese culture. It is my understanding that relevant government offices are reviewing this issue. I think it is appropriate for us to open the door gradually.

[Kim Cha-su] How do you intend to cope with the issue of establishing diplomatic relations between North Korea and Japan?

[Ambassador Kim] It is our government's position that we do not oppose normalization of relations between North Korea and Japan. However, there are a number of problems that should be resolved through North-South dialogue, including the issue of national reunification. Therefore, Japan should handle the issue of diplomatic relations with North Korea by considering our efforts for North-South dialogue. ROK and Japan closely cooperated in this issue in the past, and I hope this cooperative system will be continually maintained in the future, too.

[Kim Cha-su] North Korea is talking as if it wants German-type light-water reactors. You served as ROK ambassador to Germany before your nomination as ambassador to Japan. What was Germany's reaction to North Korea?

[Ambassador Kim] The German Government has a considerable degree of distrust in North Korea. I do not think Germany will establish diplomatic relations with North Korea before other countries.

#### **Envoy to Russia Interviewed on Relations, Loans**

*SK1602054795 Seoul CHUNGANG ILBO in Korean 15 Feb 95 p 5*

[Interview with Kim Sok-kyu, ROK ambassador to Russia, by unidentified reporters and compiled by Kim

Song-jin, on 15 February; place not given—first paragraph is CHUNGANG ILBO introduction]

[FBIS Translated Text] In an informal meeting with reporters on 15 February, ROK Ambassador to Russia Kim Sok-kyu stated: "Relations between Russia and North Korea have recovered to the point of maintaining normal relations between two countries whose diplomatic ties were previously frozen."

[Reporter] What is the current situation in Russia regarding the Chechen crisis?

[Kim Sok-kyu] The cost of the war in Chechen has reached \$4 billion. Extraordinary inflation is expected due to various simultaneous factors.

[Reporter] Will our enterprises in Russia also suffer damage?

[Kim] I do not think those ROK enterprises that have been established in Russia will suffer considerable damage because most of them are engaged in commercial business transactions with cash, rather than direct investment.

[Reporter] Is President Yeltsin well?

[Kim] There are no forces at all that can replace him. Although it is expected that many extreme rightist and communists will run for the general elections slated for December, I think President Yeltsin will maintain power until June 1996 when the presidential election will be conducted.

[Reporter] What is your opinion on the issue of Russia's reimbursement of the loan for economic cooperation from the ROK?

[Kim] Russia has already decided to partially repay the loan in kind. Because Russia has continuously expressed its will to repay the loan, there is no particular problem except the question of the reimbursement period and interest.

[Reporter] What is the status of the issue concerning North Korean loggers in Russia?

[Kim] The Foreign Ministry Human Rights Bureau of Russia, the UN Office of High Commissioner for Refugees, and the International Red Cross Society have placed the issue under consideration in an international customary manner at a humanitarian level.

[Reporter] Will Russia participate in the Korean Energy Development Organization?

[Kim] Russia has not yet fixed a direction, but is likely to participate.

#### **Kim: Diplomats Must Act as Globalization Pioneers**

*SK1302103895 Seoul YONHAP in English 1020 GMT 13 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—President Kim Yong-sam stressed on Monday [13 February] evening that all foreign service officials should



become pioneers and all the diplomatic missions abroad forward bases in the effort to globalize the nation.

Calling diplomacy the extension of a war fought with different means, the president said diplomatic war rages in an unbounded worldwide competition designed for countries to pursue their own national interests.

President Kim made the remarks in a table speech at a Chongwadae [presidential offices] dinner he hosted for 94 overseas mission chiefs and their spouses.

"The international competitiveness of our diplomacy, too, should be cultivated," Kim said. "As our overseas missions number about 140, this is a time when there should be qualitative development as well as quantitative expansion."

The president said that this year the country would elevate its international standing epochally so that "we could better attain globalization and promote peace and stability on the Korean peninsula."

In this connection, South Korea seeks to obtain the non-permanent membership of the UN Security Council as one of the topmost diplomatic goals of the year, President Kim said.

#### **Foreign Mission Chiefs Convene To Discuss Globalization**

*SK1402084995 Seoul YONHAP in English 0839 GMT 14 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—The country's foreign mission chiefs convened Tuesday [14 February] to devise measures to materialize the globalization trumpeted by President Kim Yong-sam.

During a two-day session on upcoming annual political affairs, the 94 chiefs of overseas missions also discussed three other major tasks facing the diplomats, ministry officials said.

They are the diplomatic efforts for the reunification of the Korean peninsula, the country's bid to join the United Nations Security Council (UNSC) and the drafting of the country's diplomatic policy toward the North Korean nuclear issue, according to the officials.

The envoys will continue to have talks on trade and other issues from Wednesday before winding up the five-day annual home meeting Friday.

#### **Yi Urges Diplomats 'To Be More Resourceful'**

*SK1302100895 Seoul YONHAP in English 0854 GMT 13 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—Prime Minister Yi Hong-ku Monday [13 February] called on the country's overseas mission chiefs to be more resourceful, forthcoming and flexible in the pursuit of their duties.

Speaking at a luncheon that he hosted for 95 overseas mission chiefs, now in Seoul for policy briefings and discussions, at the Sejong Cultural Center, Yi said, "No globalization of the nation can be achieved through a conventional way of thinking... For example, an envoy extraordinary and plenipotentiary should in the age of information be able to make recommendations on all aspects of the national administration."

Yi, who served as ambassador to Britain from 1991-93, stressed the importance of "employing flexible attitudes without being bound by the legacies of the past era of doctrinism," and said, "In view of the particular nature of the country as a divided land, we must promote a foreign policy based on universality shared by all the countries."

"Though diplomacy with our allies is important, the promotion of relations with other, particularly other developing, countries is also very important. To achieve globalization, we must also foster the capability to cope with global disasters, like a worldwide weather abnormality, jointly with other countries."

#### **Overseas Mission Chiefs Hold Meeting on Trade**

*SK1502074395 Seoul YONHAP in English 0702 GMT 15 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—Overseas mission chiefs attending an annual home meeting agreed Wednesday [15 February] to accelerate their efforts to promote national interests by focusing on economic and trade diplomacy.

The envoys also agreed that they should make strenuous efforts to collect useful information to be supplied to businesses operating in foreign countries and that they should come up with measures to help Korean businesses abroad to operate effectively.

"South Korean missions in foreign countries should serve as places where Korean businessmen want to frequent voluntarily to obtain useful information," a ministry official said.

During the third-day meeting which focused on trade and economy, the envoys discussed ways to attract foreign investment in the country, help Korean businesses advance into foreign markets, support Trade Ambassador Kim Chol-su's bid to become the first director general of the World Trade Organization (WTO) and suppress the growing regionalism in trade, he said.

#### **Envoys on Need To Launch Cultural Diplomacy**

*SK1602111495 Seoul YONHAP in English 0812 GMT 16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—Overseas mission chiefs of the country met for the fourth consecutive day Thursday and agreed on the importance



of launching cultural diplomacy more aggressively to help achieve the government's goal this year of globalization.

At the meeting of 94 overseas mission chiefs held at the Institute of Foreign Affairs and National Security (IFANS) to discuss ways to strengthen the country's diplomatic efforts in culture, public relations and consular affairs, the envoys agreed on the importance of cooperating with officials from the Ministries of Culture and Sports and Information, Korea International Cooperation Agency (KOICA) and media organizations for effective and complementary cultural diplomacy.

They discussed measures to make the country's foreign missions serve as permanent exhibition halls to introduce Korean cultural traditions to the peoples of other countries.

The mission chiefs also agreed to push ahead with a plan to exploit satellite broadcasting for the country's public relations activities to keep up with the new media era and to expand the Korea Overseas Information Service (KOIS) network, which provides the international computer communications network Internet with information on Korean culture, to Korea net featuring the country's cultural, political, economic and social information.

The ambassadors and heads of international organizations discussed measures to promote ties between ethnic Korean businessmen in foreign countries and domestic businesses and to help domestic businesses locate able manpower from overseas Korean communities.

They also shared the view that domestic laws on overseas compatriots' rights to domestic assets and visitation rights should continue to be revised, since the country's economy is growing rapidly and the Korean communities abroad are changing fast.

The envoys also suggested that passports should be valid when additional visa pages are attached to the passports.

Among other measures proposed by the envoys on consular affairs are developing programs to help second-generation Koreans maintain their identity and imbue foreigners with the impression of Koreans as the people of culture.

To the end, the mission chiefs decided to proceed with plans to teach the Korean language to second-generation Koreans and educate Korean compatriots on ways to understand laws, regulations and practices in countries where they reside.

#### **Visa Process for Overseas Koreans Simplified**

*SK1502015695 Seoul YONHAP in English 0118 GMT 15 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—The visa issuance procedures for ethnic Koreans who

possess foreign citizenship have been drastically simplified, the Justice Ministry disclosed Wednesday.

In addition, the system of confiscating passports, from Korean nationals who are forcibly expelled from foreign countries during an overseas journey, has been repealed.

A ministry spokesman said that regulations concerning visa issuance for ethnic Koreans in the immigration control law have already been revised and put into force. The authority of issuing visas has been delegated from the foreign minister to diplomatic mission chiefs overseas, for those ethnic Koreans possessing foreign citizenship wishing to extend their 90-day visit in Korea to up to one year.

The revised regulations also transferred the authority of issuing the written acknowledgements of visa applications, from justice minister to each director of immigration control offices, for those Koreans wishing to stay for up to 90 days.

#### **Foreign Industry Trainees Given Medical Insurance**

*SK1602042595 Seoul YONHAP in English 0250 GMT 16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—Foreign industrial trainees will be given medical insurance coverage beginning next month, government officials revealed Thursday.

Sources at the Ministry of Health and Welfare said that relevant regulations will be revised within the month to allow foreign industrial trainees to join the medical insurance scheme at their workplaces from March.

The trainees' medical insurance premium has been set uniformly at 3,000 won (3 U.S. dollars and 80 cents) per month. The medical insurance plan is optional, but half the premium will be paid by their employees as is the case with local employees.

There are an estimated 82,000 foreign workers in South Korea, both legal and illegal. Of them, 36,000 are working as industrial trainees, particularly in the so-called 3d (dangerous, difficult and dirty) jobs. These workers usually arrive from developing countries, including the Philippines, Bangladesh, Vietnam, Pakistan, Myanmar and Nepal.

The Health and Welfare Ministry's decision was prompted by a recent Supreme Court's ruling that trainees should be accorded the same social protections as local workers. It is also designed to guarantee the right to health of foreign technical trainees.

A Health and Welfare Ministry official said, "From a humanitarian perspective, it is necessary to have foreign trainees covered by medical insurance. For the long term, this step will help boost labor productivity by providing conditions under which laborers may work with peace of mind."



The ministry also plans to extend to foreign industrial trainees industrial disaster insurance benefits as well in the future.

### **DLP Questions Subsidy for New Political Party**

*SK1402034895 Seoul YONHAP in English 0321 GMT  
14 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—The ruling Democratic Liberal Party (DLP) is seeking to rectify the present system of national subsidization, under which the so-called United Liberal Democrats (ULD) are to be paid some 5.3 billion won (6.62 million U.S. dollars) when formally created by Kim Chong-pil.

The DLP's move to slash the political fund to the new party has not yet been officially determined, but a party official claimed that distributing a huge subsidy to the new party "runs counter to the public sentiment and spirit of the law" as the ULD did not participate in the general election.

The ruling party, however, is cautious not to give the impression that the DLP is suppressing Kim's new party, just as it "drove him out of the party," fearing public sympathy toward the former DLP chairman.

Under the present law, any political party that has obtained five or more parliamentary seats is entitled to receive five percent of the total subsidy.

But some DLP officials explained that the new party must be excluded from the subsidy payment as it did not take part in the parliamentary election. They remarked that the "obtaining of the house seats" implies direct electoral participation.

If the DLP officials' explanation is proven valid, the subsidy for the new party will be only 800 million won.

Other DLP sources said they made an unofficial inquiry into the official stipulations of the law at the Central Election Management Commission (CEMC).

The election commission has not yet disclosed an official explanation, but a CEMC official unofficially disclosed that although the new party did not take part in the 14th parliamentary election, "the ULD must be a political party which would obtain five or more house seats under the present political fund law."

### **Ruling Party Confirms Local Elections in Jun**

*SK1602073895 Seoul YONHAP in English 0636 GMT  
16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—The ruling Democratic Liberal Party (DLP) reaffirmed Thursday its plan to hold the scheduled nationwide local elections in June as stated in the integrated election law.

Party spokesman Pak Pum-chin said that under any circumstances there will be no change in the government's plan to conduct the local polls on the set date.

Rep. Pak made the statement after the high post holders meeting chaired by party Chairman Yi Chun-ku.

Referring to the controversial remark by DLP Secretary-general Kim Tok-yong on the need to "redress the unreasonable elements" of administrative units before the local elections, the spokesman described it as merely "his private opinion."

"It is a misunderstanding that the opposition parties and some press media are considering Kim's remark a revelation of our party's intention to postpone the local polls," he said.

### **DP's Yi Considers Running for Seoul Mayoralty**

*SK1502104495 Seoul YONHAP in English 1020 GMT  
15 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—Rep. Yi Chol of the opposition Democratic Party (DP) on Wednesday [15 Wednesday] expressed the willingness to run in the upcoming Seoul mayoral election.

While meeting with reporters, Yi said he had already begun campaigning to obtain the party nomination of mayoral candidate.

This brings to three the number of the democrats who have professed to run in the mayoral election. The two others are party supreme member Cho Se-hyong and Rep. Hong Sa-tok.

### **FKI Chairman Denies Remarks Alluding to Quarrel**

*SK1602110795 Seoul YONHAP in English 0733 GMT  
16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—Chairman Choe Chong-hyon of the Federation of Korean Industries (FKI) dismissed Thursday news reports alluding his press conference remarks Tuesday to a confrontation between the government and the business community, and claimed, "I didn't mean it at all."

In a hastily called news meeting at his office in the early afternoon, he said he had called on Deputy Prime Minister and Finance and Economy Minister Hong Chae-hyong at his office in the morning to clarify his remarks.

"Deputy Prime Minister Hong told me he had understood what I meant in the remarks after my explanations," he added.

"When you asked me if I had expounded upon a theory opposing the government's policy in Tuesday's meeting, didn't I tell you that I meant to ask the government to review whether its chaebol policy agrees with the globalization policy, not to oppose the government's policy itself?"

The FKI is an association of business tycoons, owners of powerful chaebol (conglomerates) in particular.



As for his meeting with chief government policy-maker Hong in the morning, Choe said, "I had been told my remarks had misled the government, so I asked for a meeting with the deputy prime minister to correct the misunderstanding."

Sources close to Choe said the government must have been displeased with Choe's labeling the policies, calling on chaebol to distribute ownership and specialize in core business lines, as "old policies," not with his criticism of the measures of cooling the heating business and its high interest-rate policy.

In Tuesday's meeting with the press, Choe said, "As business is not overheating today, there is no need to take steps to cool business... pursuing anew such old policies as those calling for chaebol's specialization in their core industries and their ownership distribution would only lead to weakening their competitiveness."

### **Papers React to Military Reorganization Plan**

*SK1602003395*

[FBIS Editorial Report] The following is a compilation of editorials published in ROK vernacular dailies on 15 February on the military reorganization plan announced by the Ministry of National Defense on 13 February.

The conservative CHOSON ILBO carries on page 3 a 800-word editorial entitled "The Nature of Military Reorganization Should Be Understood." The editorial assesses the military reorganization plan as "the Army's effort to remedy chronic military organizational problems" and as "an appropriate attempt in accordance with a new conception of national defense." However, pointing out that this is not enough, the editorial reminds the Army of its primary mission to protect the country from dangerous situations and stresses: "Problems in the Army, such as weakened military morale and the inverted triangle-type personnel organization, cannot be solved simply by transferring manpower in central organizations to lower units. This is no more than transferring problems to lower units." Then the editorial emphasized the need to reorganize the Army to convert it from a "power-centered structure [kowllyokhyong]" to "combat-oriented structure [chontuhyong]" now when "the Army can no longer be used as a means to maintain power," as well as "reorganize military forces to strengthen the core part in order to enable the Army to carry out scientific war."

The moderate KYONGHYANG SINMUN carries on page 3 a 800-word editorial entitled "The Entire Army Should Thoroughly Be Converted Into Selected Troops." The editorial states the significance of the military reorganization plan lies in the fact that it shows the Army's idea to convert the entire Army into selected troops, stressing that "the conversion of the entire Army into selected troops is a primary task in modernizing the Army." The editorial notes: "The reorganization plan is generally assessed as passable [taechero munanhan

pyongga] not because it is complete, but because it is not a bad change." The editorial then urges the Army to take "fair measures for those officers who will be transferred following the reorganization," noting the possibility of "strong opposition from the Navy and Air Force if an officer from the Army is appointed the deputy chairman of the Joint Chiefs of Staff."

The pro-government SEOUL SINMUN carries on page 3 a 700-word editorial entitled "It Is Desirable To Apply Science to National Defense." The editorial states that "it is very desirable that the Ministry of National Defense decided to promote the application of science to national defense, as shown in its military reorganization plan," while stressing the need to "globalize the Army" and "improve the military system and quality" in order to achieve the "goal of self-defense," and noting that "in order to cope with the 21st century, it is the most important task to make complete preparations for scientific war, based on updated equipment and information." The editorial also assesses the plan to establish a new information office in the Army as "a timely measure at a time when modern warfare is becoming more and more electronic." The editorial then stresses "the need to make efforts to increase Naval and Air Force troops" in order to achieve "a more effective security system in conformity with the age of globalization" and urges the Army "to accelerate its development by applying science to its organizational and manpower management, to cope with a rapidly changing world security strategy."

### **Transfer of Presidential Security Unit Reported**

*SK1602110195 Seoul CHOSON ILBO in Korean 16 Feb 95 p 2*

[FBIS Translated Text] The 30th Security Unit of the Capital Defense Command, which has guarded Chongwadae [presidential offices] since it was deployed inside Kyongbuk Palace during the 16 May coup d'etat in 1961, will be transferred and merged with the 33d Security Unit before the end of this year. Therefore, the original Kyongbuk Palace grounds will be available 34 years after the 30th unit was deployed. A relevant high-level National Defense Ministry official stated on 15 February: "In an effort to rebuild the Kyongbuk Palace, the Ministry of National Defense originally planed to relocate the 30th unit to another area before the end of last year, but it was delayed due to the budget appropriation issue." He added that "the Ministry of National Defense once considered plans to relocate the 30th unit to another site, and that "it has finally decided to move it where the 33d Security Unit Headquarters is located, thus merging it with the 33d unit." He also added that "it has planed to reduce the size of the 30th unit."

### **Presidential Guards Leave Chon's House on 25 Feb**

*SK1502062195 Seoul YONHAP in English 0612 GMT 15 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—Presidential security service agents will no longer stand



guard for former President Chon Tu-hwan starting from Feb. 25, a Chongwadae [presidential offices] official said Wednesday.

Chongwadae is responsible for the personal security of a former president for seven years after he or she leaves office, in accordance with the law on honorable treatment of former presidents and the law on the presidential security service.

It will be seven years on Feb. 24 since Chon completed his tenure of office.

The Chongwadae official said, "Presidential guards will withdraw from Chon's private house, and instead, the police will guard his house."

The opposition Democratic Party is urging the government to indict Chon on charges of rebellion for his roles in the Dec. 12 "coup d'etat-like incident" in 1979 and the violent suppression of Kwangju democratization movement.

#### **Ministry Eases Restrictions on Food Shelf Life**

*SK1602041195 Seoul THE KOREA HERALD in English 16 Feb 95 p 3*

[FBIS Transcribed Text] The government plans to remove restrictions on the shelf life of all foodstuffs on a gradual basis by 1998, the Ministry of Health and Welfare said yesterday.

"The ministry has decided to entrust food makers to voluntarily set the shelf life on their products by 1998," said a ministry official. "In an initial step, the ministry will liberalize by this September restrictions on the shelf life of canned goods which are relatively less prone to degeneration," he said.

But, some foods including meadow milk will be excluded from liberalization.

As a complementary measure, the ministry will impose heavier punitive sanctions on the makers and dealers of harmful foodstuffs.

The removal of restrictions on the shelf life of foods has been announced as part of a set of proposed revisions of the food safety-related law and regulations.

The ministry will work out the revised bill and give advance notice to the public next month.

The ministry's announcement has drawn particular attention with regard to the recent demand from the United States to extend shelf life of imported meats which has become a major trade issue between the two countries.

Meeting with South Korean Foreign Minister Kong No-myong in Washington earlier this month, U.S. Trade Representative Mickey Kantor asked to extend shelf-life restrictions on imported sausages from the present 30

days to 180 days, which allows U.S. meat processors more time to ship and market their products.

The government's move to give a free hand to foodstuff makers in choosing the shelf life of their products is likely to ease the trade frictions with the United States. But, consumer protection organizations here are expected to strongly resist the move in view of the cottage-type business style of domestic foodstuff makers and their vulnerable distribution network.

#### **More on Government Measures To Handle Drought**

*SK1502113995 Seoul YONHAP in English 1109 GMT 15 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—The government on Wednesday [15 February] adopted a set of measures to counter the persisting drought, featuring the emergency supply of water in drought-hit areas and an increase in cumulative piped-water rates.

A cabinet session chaired by Prime Minister Yi Hong-ku also decided to set up an anti-drought council among the home, environment and other relevant ministers to map out and implement anti-drought steps effectively and speedily.

The government fears areas suffering from the short supply of water would expand to include 30 cities and counties with a combined population of 855,000 by the end of May.

As one of the immediate steps to combat the dry spell, 210 fire engines, 20 military water-tank trucks and three water-tank boats will be mobilized to supply household water to people of the South Cholla and Kyongsang Provinces hardest hit by the drought.

The meeting resolved not to raise the basic piped-water rates but to readjust upward the cumulative rates so as to assess more fees on those using excessively large amount of water.

Moreover, the government decided to release 80 billion won to finance the digging of 999 deep wells in the rural areas and will subsidize the exploration of 193 deep wells in 20 urban areas.

#### **\* First "Earthquake-Proof" Bridge Planned in 1997**

*95p30044b*

[EDITORIAL REPORT] The 20 January HANGUK ILBO in Korean reported on page 29 that an "earthquake-proof" bridge is being constructed. The Chongdam Bridge, scheduled to be completed in 1997, will be the first of its kind in South Korea. The bridge will have 30 percent more steel and iron to reenforce the main support frame which will have a higher elevation for better tremor absorption. The government intends to



enforce "earthquake-proof or earthquake-resistant" construction methods for new bridges in earthquake zones. The Kayang Bridge, under construction since 1994, is being modified to withstand earthquakes. Seoul may be vulnerable to earthquakes while Kangwon, South Cholla, and Cheju areas are not. According to HANGUK ILBO, since 1992, the ROK Government has adopted the "standard, highway quake-resistant construction methods."

However, the ROK geologists believe the government needs to conduct serious earthquake studies area by area for possible Richter scales and tremor radii, etc., as Japan has been doing to protect its country.

#### **Population at 44 Million, 25th Largest in World**

*SK1602115595 Seoul YONHAP in English 0904 GMT  
16 Feb 95*

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP)—South Korea's population reached more than 44 million in 1994, the 25th largest figure in the world, with the average age of 30.9, the National Statistical Office [NSO] announced Thursday.

The society here is being informationized as the use of telephones, cellular mobile phones, pagers and computers is rapidly spreading, according to "South Korea's social indicators in 1994" published by the office.

The South Korean population increased on an average 1.0 percent a year between 1985 and 1994, while its population density reached 449 people per square kilometer, the third most dense in the world following Bangladesh (870) and Taiwan (576).

The population of South and North Korea totaled 67 million, while South Korea alone has 44,453,000 population as of July 1, 1994.

The average age of the South Korean became older from 30.2 years in 1992 to 30.9—younger than 38.1 of Japan in 1991, 37.4 of France (1993), 35.4 of the United States (1991), 31.8 of Singapore (1992) but older than 28.8 of China (1990) and 25.9 of India (1991).

The proportion of the economically active population has increased, but the proportion of the elderly people older than the age of 64 is increasing as well.

The rise in the average age was due to the large decrease in youth ratio (under 15 years old), the drop in the birth rate and an increase in the elderly ratio (over 65 years old), the NSO reasoned.

The youth dependency rate, a figure made by dividing the population under 15 years old by the population from 15 to 64 years old, slid from 37.4 percent in 1990 to 33.7 percent last year, while the elderly dependency rate soared from 7.2 percent to 7.8 percent, with the total dependency rate dropping from 44.6 percent to 41.5 percent, according to the NSO indicators.

Laborers' working hours per week decreased from 51.9 in 1985 to 47.5 in 1993. But in the case of the manufacturing industry, South Korean workers' working hours ranked No. 1 in the world along with that of Singapore's with 48.7 in 1992, and chances are high for the country to have solely secured the international No. 1 spot with 48.9 in 1993, the NSO officials said.

The number of crimes registered 1,356,914 cases in 1993, up 128 percent from 595,277 in 1980, but that of policemen increased a mere 60 percent to 89,686 from 56,003, the indicators showed. As a result, each policeman had to handle from 10.6 cases in 1980 to 15.1 cases in 1993.

The average height, especially that of the younger generation, grew owing to improved nourishment. The average height of 15-year-old men increased from 162.2 centimeters in 1980 to 168.4 centimeters in 1993, while that of women grew from 155.7 centimeters to 158.3 centimeters, according to the NSO. In weight, men and women at that age gained from 51.9 kilograms and 58.5 kilograms in 1980 to 58.5 kilograms and 52.7 kilograms in 1993, respectively.

As evidence to reflect the country's adaptation to the information age, the number of telephone subscribers per 100 people soared from 16 in 1980 to 37.8 in 1993, and that of cellular phone subscribers from 4,686 in 1985 to 471,784 in 1993, the indicators said.

In the case of pagers, subscribers rose from 18,782 in 1985 to 2,648,603 in 1993. And the number of subscribers for computer data services grew from 226 in 1987 to 435,191 in 1993, according to the indicators.



## Burma

### Mon Urges SLORC To Seek 'Genuine Peace'

BK1502045495 Bangkok THE NATION in English  
15 Feb 95 p A8

[FBIS Transcribed Text] Sangkhlaburi—With ethnic Mon preparing to celebrate their national day today, one of the leaders of the Mon resistance in Burma has urged the ruling State Law and Order Restoration Council (SLORC) to move towards "genuine peace and conciliation" in the country.

Nai Tin Aung, the foreign affairs officer of the New Mon State Party (NMSP), declared that his party would "always leave the door open for negotiation" with SLORC.

Ceasefire talks between the NMSP and the ruling military junta have been deadlocked for the past six months, but Nai Tin Aung said the two parties have maintained "indirect contact."

Following three rounds of talks in 1993-94, SLORC offered to grant Mon insurgents 12 areas of control in Burma, but the Mon broke off negotiations last year, declaring the offer insufficient.

"SLORC now appears ready to resume talks without demanding that we accept these 12 places," Nai Tin Aung claimed.

He said that the NMSP's Central Committee will hold a meeting on the matter, probably to take place at the end of this month.

"But if SLORC does not change, it will not be possible to resume the talks," he added.

Nai Tin Aung agreed with the assessment made by other Burma watchers that the successful attack on Karen Forces at Manerplaw represented a resurgence of the hard-liners in SLORC who are opposed to a peaceful reconciliation among the country's warring ethnic minorities.

"The Mon are preparing for an attack by Burmese forces in southern Burma. But it hasn't come yet," he said.

Nai Tin Aung declined to comment on threats made by the Mon insurgents in the past that they would try to stop "by all means possible" the gas pipeline slated to run through Mon and Karen territory to transport gas from Burma to Thailand.

"Everyone knows our position," he said. "If the ruling clique changes significantly, then we would reconsider how to solve the problem.

"So far, there have been no meaningful changes. But if the situation continues like this, the future will be unthinkable," Nai Tin Aung said.

He said he agreed in theory with the idea of exporting natural resources to foster development, but added that the benefits of such development must be distributed to everyone.

"If the profits go to buying weapons, they are meaningless."

He agreed that the development of the country's natural resources will have political consequences. As things stand, Thai investors and SLORC will benefit from the pipeline deal.

"That's why we need peace in Burma," he explained, while also urging Thailand to "give priority to peace."

"Since Thailand is a democracy, it should support democracy in Burma," he said.

"Peace imposed by force will not last very long. Peace should be genuine and realistic, not one-sided.

"If Slorc really wants peace, it must stop its offensive all over Burma," he concluded.

"It should not stage an offensive like this while declaring it is in favour of national conciliation."

## Cambodia

### Defense Minister Briefs U.S. General on KR

BK1602063295 Phnom Penh National Radio of Cambodia  
Network in Cambodian 1300 GMT 15 Feb 95

[FBIS Translated Text] On the morning of 15 February, Co-Defense Minister Tie Banh told a U.S. military delegation that since the election and the reunion, the Khmer Royal Armed Forces (KRAF) have carried out their duty to ensure calm for the people and the motherland. His Excellency [H.E.] Co-Minister Tie Banh stressed that what the Cambodian people want most is peace. It is regrettable that the peace they have received is not yet secure. Referring to the Khmer Rouge (KR) group, H.E. Tie Banh added that there is a group that continues to carry out activities causing insecurity. It indiscriminately burns people's houses wherever it goes. Therefore, the KRAF still has a heavy task, including restructuring and reforming the Army and enacting measures to deal with the destruction of the Khmer Rouge group. He stressed that it will continue to do everything to ensure security for the people.

In reply, General Downing pointed out that his delegation is visiting Cambodia to inspect the training of the KRAF with assistance from U.S. military experts. He further said that it is very important in his view that training be provided to the Army. He affirmed that in general the United States always supports the efforts of the Royal Government of Cambodia.

### Commentary Says Khmer Rouge Forces 'Cornered'

BK1602085995 Phnom Penh National Radio of Cambodia  
Network in Cambodian 1300 GMT 15 Feb 95

["Political commentary": "The Khmer Rouge Are Cornered Dogs and Are Mad"]



[FBIS Translated Text] Representatives of the Thai and Cambodian Governments recently stressed that the two governments have agreed to set up a border coordination commission to settle border problems between the two countries. This commission will oversee unofficial liaison offices at five or six border points. Officials from the two sides say these coordination points will be set up along the border between the two countries as far south as the southern part of Koh Kong Province. As for the coordination commission, it will be expected to deal with safety along the border.

On 8 February, the prince krompreah first prime minister and Second Prime Minister Samdech Hun Sen signed a decision setting up a joint Commission on Economic, Social, Scientific, Technical, and Cultural Cooperation between the Royal Government of the Kingdom of Cambodia and the Royal Government of the Kingdom of Thailand. This joint commission will discuss the establishment, coordination, and essence of its task by clearly setting out priorities for cooperation with the Royal Government of the Kingdom of Thailand.

The establishment of the above two commissions is a positive step toward improving the normalization of relations between the two countries, which share 1,000 km of common border. These important commissions have been set up at a time when there is news that a handful of Khmer Rouge soldiers stationed at positions adjoining the Preah Vihear temple have had their supplies of food and ammunition cut off by the KRAF [Khmer Royal Armed Forces].

General Nhoek Bunchhai, deputy chief of staff, said that about 60 rebel troops in control of the Khmer Rouge base near the Preah Vihear temple have not received fresh supplies for three months; their supplies will probably run out in the coming month. Furthermore, Siem Reap Governor Toan Chay said that the KRAF has seized Khmer Rouge bases around the Anlung Veng command post near Trapeang Peay and Sre Noy. At the same time the Royal Government has received news from the Royal Thai Government that Thai forces will not let the rebels receive supplies or support from Thai territory.

All this confirms that the outlawed Khmer Rouge are currently like cornered dogs. Inside the country, the rebels have been cursed by the people and reported to the KRAF because of their policies and the barbarous acts they have committed against innocent people. The rebels are being chased, mopped up, and smashed by the KRAF; they are fleeing for their lives into the deep jungle. The border passes where the Khmer Rouge used to receive food supplies and war materiel have been closed by the Royal Thai Government. Thus the Khmer Rouge have become further enraged and have suffered more. They have become even more nasty and no longer recognize who their superiors are. For instance, on the night of 12-13 February, a few rebels raided Os Tuk,

Sambok, and Thmei villages in Kompong Pring Commune, Sangke District. They killed two children and burned a number of buildings, including the district dispensary and a school. The recent cowardly and insane activities of the Khmer Rouge have contradicted their propaganda that they are fighting Vietnam to liberate the nation; this has disappeared like salt in water.

In the view of analysts of the Cambodian situation, the Khmer Rouge are not just cornered; they are also mad. This is why they are so savage and perfidious. Therefore, our people and all levels of the KRAF should be highly vigilant because mad dogs will indiscriminately bite anyone before they die. At the same time, our compatriots still in the Khmer Rouge ranks should seize the opportunity to free themselves from the pressure and coercion of the Khmer Rouge and rush to join society and the nation on time.

#### **Commentary on KR Effort To Prevent Defections**

*BK1602075995 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 15 Feb 95*

[Unattributed commentary]

[FBIS Translated Text] Every Cambodian clearly knows the devilish grip of the Khmer Rouge [KR] leadership, known to history as the genocidal clique. During this clique's rule of three years, eight months, and 20 days, no family was spared from death and separation, punishment, and severance of sentimental feelings. Traditions, customs, religion, and so on were abolished. This cheap act plunged the country into ruins. Millions of people suffered and died. To this day the Khmer Rouge leadership harbors the wish to incessantly massacre and punish people in rural areas, steal property, burn houses, abduct people, and destroy public property such as schools.

It is this fact that has compelled thousands of Khmer Rouge officers and men who want peace and detest the maneuvers of the stubborn Khmer Rouge leaders to stop their activities against the Royal Government or to leave the rebel ranks and return to society and the nation. They have also brought their families in great numbers. Realizing their dire situation, the nasty Khmer Rouge leaders have adopted barbarous means to prevent their troops from defecting to the Royal Government by separating soldiers from their families. This means that the soldiers' families live separately and are under the strict control of the leaders' accomplices while the soldiers live without any contact with their families. This is out of fear that the soldiers will bring their families to join the Royal Government. This is a cheap act by the Khmer Rouge leaders, who are cutting off the sentimental feelings among husbands, wives, and children. This is no different from the time when the Khmer Rouge were in power and fathers were sent to work in male farmers' groups, mothers in female farmers' groups, and children in groups to carry fertilizer. They lived separately in deserted areas, like animals deprived of refuge and light. They were cut off and even died without news from one another.



Now the ringleaders have brought back and implemented these maneuvers, causing great anger among soldiers and their families. These measures certainly will make the Khmer Rouge soldiers realize the cheap maneuvers of their stubborn leaders, who are separating troops from their families and forcing them to live a harsh life in the jungle and mountains. This dirty plan will certainly not stop these compatriot Khmer Rouge soldiers from awakening.

### **Khmer Rouge Views Opposition to 'Traitors'**

*BK1602055595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 15 Feb 95*

[Unattributed commentary: "The Traitorous Two-Headed Government is Burning in the Flames of Ire as a Number of Political Personalities in the Two-Headed National Assembly Are Demanding an End to the Traitorous Hun Sen-Chea Sim-Sar Kheng-Ranariddh Clique in Order To Defend and Preserve the Constitution, the Nation, and the People"]

[FBIS Translated Text] I. A number of political personalities in the two-headed National Assembly believe it is imperative to join hands in putting a definitive end to the traitorous two-headed clique—with puppets Hun Sen, Chea Sim, Sar Kheng, and Ranariddh as the ringleaders—in order to defend the Constitution and preserve the nation, people, and race.

Since they promulgated the Constitution in September 1993, the Hun Sen-Chea Sim-Sar Kheng-Ranariddh traitors have brutally and constantly violated it, both in spirit and letter, including its preamble and all its chapters and important articles.

The preamble to the Constitution clearly states that the Cambodian nation and people are determined to unite for the consolidation of national unity; the preservation and defense of Cambodia's territory, sovereignty, and civilization; and the restoration of Cambodia as an island of peace based on a multiparty liberal democratic regime guaranteeing human rights and abiding by the law.

All of these provisions have been brutally and insolently trampled by the traitors, who have also betrayed the oath they made to the king, the nation, and the international community. In reality, it was merely a pretense and a formality; they proclaimed the Constitution merely on paper and took the oath in order to dupe some fools. The truth is that they have remained the same warmongers, fascists, and dictators who have murdered the nation and people on countless occasions over the past 10 or more years and are continuing to do so.

Let us look at some examples:

1. They have betrayed the Constitution, national interests, and the people. They are extremely corrupt and

have swindled the nation's resources for their own benefit and the benefit of their families and partisans.

2. They have sold out Cambodia to communist Vietnam and the alliance, peddling the nation's independence, sovereignty, and territorial integrity within its land, sea, and island borders that were internationally recognized between 1963 and 1969.

3. They have sabotaged Cambodia's neutral and non-aligned policy, allowing communist Vietnam and the alliance to interfere in and invade our country at will.

4. They have maintained and defended the communist Vietnamese regime, the communist Vietnamese puppets, and the communist Vietnamese war, permitting communist Vietnam to plunder Cambodia and control the Cambodian Administration from top to bottom and turn it into a fascist and dictatorial communist Vietnamese regime. There is no democracy, freedom, parliamentary system, multiparty system, or human rights in Cambodia today. Cambodia today is in communist Vietnam's iron cage. The communist Vietnamese are the masters of the country, controlling both the legislature and the executive. They have served the alliance by continuing to ignite the war against the Cambodian nation and people and have allowed 4 million ethnic Vietnamese to swamp and swallow Cambodia.

5. On their masters' orders, the Hun Sen-Chea Sim-Sar Kheng-Ranariddh traitors have opposed national reconciliation, national unity, social and national peace, and so on.

II. A number of political personalities in the two-headed National Assembly believe they can no longer live with the traitorous, nation-selling, two-headed government and they should rise up and struggle to defend their honor and lives against the two-headed traitors.

1. They resolutely opposed the communist Vietnamese enemy, the communist Vietnamese puppets, and the alliance when the extremely fascist law was adopted to outlaw the national salvation forces, a law that in reality is aimed at suppressing, arresting, and destroying any Cambodian who refuses to become a puppet of the communist Vietnamese puppets, like Ranariddh. Under this law, they incarcerate anyone who demands genuine national reconciliation and peace in line with the letter and spirit of the Constitution and the profound desire of the Cambodian nation and people, who want the two-headed government to solve all problems through consultation and peaceful means as stipulated by Article 52 of the Constitution, which says the two-headed government and the two-headed National Assembly will adopt a policy of national reconciliation to ensure national unity.

2. They resolutely opposed the two-headed government when it committed wholesale plunder of the national budget and used the money to buy arms and ammunition to continue igniting the war against the nation and



people on the orders of communist Vietnam and the alliance, thus running counter to the letter and spirit of the Constitution and the profound desire of the nation and people.

3. They resolutely opposed the two-headed government when it violated Articles 55, 57, 58, and 90 of the Constitution. The two-headed government has signed several contracts with foreign capitalists worth hundreds and even thousands of millions of dollars without consulting with or requesting prior approval from the National Assembly, the country's legislative body. In so doing, the two-headed government has pillaged the nation and sold out the country to foreigners at the expense of our nation and people.

III. These political personalities feel they are capable of fighting the traitorous two-headed government and are extremely proud of their patriotic activities. They said that a large number of people in Phnom Penh and the rest of the country have given them praise and support and have assured them that they will vote for them as their representatives in future assemblies as long as they remain on the side of the nation and people.

Moreover, these political personalities clearly see the situation of the two-headed government, which is sliding toward collapse in all fields and sectors. The two-headed government is rotting and decaying through and through with each passing day. The forces of communist Vietnam and the alliance cannot save or prolong its life. They believe that the doomsday of the traitors has arrived. It is therefore imperative to end the traitorous two-headed clique quickly in order to defend and preserve the nation and race.

#### **Khmer Rouge Assails Government Arms Purchases**

*BK1602023895 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 15 Feb 95*

["News commentary": "While 2 Million People Are Dying From Hunger, the Heartless Two-Headed Government Spends Money on Arms To Fan the Flames of War Against the Cambodian Nation and People"]

[FBIS Translated Text] I. The war of the communist Vietnamese aggressors—carried out first by UNTAC [UN Transitional Authority in Cambodia], then by the alliance, and now by the two-headed government—has caused a famine among the Cambodian people. This year the famine has become so extreme that it is threatening 2 million lives. This means that two out of every eight Cambodians will die of hunger. At the same time, 4 million ethnic Vietnamese are gorging themselves and raping and robbing all of Cambodia's resources to be sent back to Vietnam.

II. In this situation, when the people are starving to death, the two-headed government led by Hun Sen, Chea Sim, Ranariddh, and Sar Kheng—the chief lackeys of

communist Vietnam, the United States, Australia, and France—has not paid an iota of attention to the life or death of the people who are dying like leaves from thirst and hunger. On the contrary, this government has concerned itself with nothing but plundering the property of the nation and people and spending money to purchase weapons such as tanks, armored carriers, cannons, rifles, and ammunition. They are using these weapons to continue igniting the flames of war; slaughtering the nation and people; and serving the strategy of the communist Vietnamese, who are bent on committing genocide against Cambodia, and the strategy of the United States, Australia, and France in their scramble to suck the blood and gnaw the bones of the Cambodian nation and people.

The two-headed government has spent a huge amount of money to buy armaments. They have spent \$150 million on tanks, \$20 million on armored carriers, and \$12 million on aircraft—a total of \$182 million. If this money was spent on national reconstruction, we would have many roads, dams, ditches, and rice seeds. If just \$50 million of this money was used to buy rice, at least 1-2 million people would have been saved from the deadly famine. Yet the people in this government do not hesitate to spend this money on killing people. This clearly shows that they are traitors who are betraying the nation and people; selling out the nation and the people; and killing the Cambodian nation, people, and race. They are all of the same stripe—the Hun Sen-Chea Sim-Ranariddh-Sar Kheng lackeys of communist Vietnam and the alliance, the communist Vietnamese themselves, and the U.S.-Australian-French alliance.

III. This is the most heinous crime of the Hun Sen-Chea Sim-Ranariddh-Sar Kheng lackeys of communist Vietnam and the alliance. It also constitutes the most heinous crime of the U.S.-Australian-French alliance. They are all war criminals. They are criminals who have murdered the Cambodian nation and people. They are criminals who have murdered mankind as a whole.

IV. The Cambodian nation and people together with the Cambodian national resistance forces have been fighting these black-hearted barbarians for the last 16 years to defend and preserve the nation, people, and race and prevent Cambodia from being wiped out like another Kampuchea Kraom [former Cambodian territory annexed by Vietnam in the 17th century]. This highly heroic struggle has caused the two-headed government of the Hun Sen-Chea Sim-Ranariddh-Sar Kheng lackeys of communist Vietnam and the alliance as well as the communist Vietnamese and the alliance to become confused, bog down in a quagmire, and writhe in agony. Although they have tried extremely hard to extricate themselves, the harder they try the more deeply they find themselves in the quagmire and the greater agony they suffer. They will agonize in the death throes until they draw their last breath in the near future.



**General Thanks Thai Bunrong Company for Gift**

*BK1602043095 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 15 Feb 95*

["Report on a message of thanks from His Excellency General Ke Kimyan, chief of staff of the Khmer Royal Armed Forces, to Theng Bunma, director of the Thai Bunrong Company"; date of message not given]

[FBIS Translated Text] Dear Mr. Director: On behalf of the General Staff of the Khmer Royal Armed Forces [KRAF] and in my own name, I would like to express great joy at your most precious and humanitarian gift to the General Staff on 2 February 1995—100 cartons of cigarettes, 100 cases of canned fish, 100 cases of dried noodles, and 45 tins of medicine, worth around \$17,000—to be provided to officers and men carrying out their duties on the battlefield to ensure security and a peaceful life for the people and contribute to national development.

Dear Sir, you have been continuously providing material and financial assistance and the means to alleviate the needs and difficulties of the KRAF in its task of building and ensuring security to defend the motherland. I would like to take this opportunity to thank you again and wish you, your family, and all of your company's personnel happiness and prosperity in their business and the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment. We firmly hope and believe that your kindness will contribute to building and developing the Kingdom of Cambodia as well as the KRAF.

I would like to stress that immediately after receiving your kind gift, on 3 February 1995, I dispatched about 50 percent of it to Army units operating in the Aoral area and the other 50 percent to the Siem Reap area.

**Indonesia**

**Minister Edi Says Nation Owns Disputed Islands**

*BK1502143995 Jakarta ANTARA in Indonesian 1232 GMT 15 Feb 95*

[FBIS Translated Text] Jakarta, 15 Feb (ANTARA)—Defense and Security Minister Edi Sudrajat said the Sipadan and Ligitan islands belong to the Republic of Indonesia.

Replying to a question by Sabam Sirait, Parliamentary Commission I member during a working session in Jakarta on Wednesday, Defense and Security Minister Edi said: "We have proof that the islands belong to us."

According to Edi, a joint cooperation team should officially attempt to solve the dispute. He said: "We should use the proof to solve the issue."

He said Indonesia places greater emphasis on the resolution of the two disputed islands by Indonesia and

Malaysia through bilateral means or through an ASEAN joint cooperation group before the issue was taken up to a higher level.

The minister also said that Indonesia's foreign policy is not [word indistinct] "low profile" [preceding two words in English] or "high profile" [preceding two words in English] in the talks on the two disputed islands which are situated off East Kalimantan. He said: "I consider Indonesia's foreign policy simply normal."

Responding to reporters after the meeting, Edi said the dispute would be best resolved through bilateral effort and a sincere desire to settle the issue.

A reporter asked: "Are we not firm in our claim on the Sipadan and Ligitan islands, sir?" Edi replied: "We have been firm."

The dispute resurfaced after the government included the two islands on its national map, which was then disputed by Malaysian Foreign Minister Abdullah Badawi.

According to reports published by the Kuala Lumpur newspapers, Abdullah is investigating reports which stated that the Sipadan and Ligitan islands were included on the map of Indonesia.

**Minister Rejects Idea of ASEAN Peacekeepers**

*BK1502162995 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 15 Feb 95*

[FBIS Translated Text] The minister of defense and security, Edi Sudrajat said that there is no need to set up an ASEAN peacekeeping force in the region under UN auspices. He said this is because the doctrines of the armed forces of the respective ASEAN member countries was different from one another.

He said that when one tried to find a common doctrine out of the varying ones, the duty of the ASEAN peacekeeping force would not be effective.

The minister said this at a working meeting with the Parliamentary Commission I [in charge of foreign affairs and national security] in Jakarta today.

He said, on the other hand, the duty of the peacekeeping force would be very effective if each country sent their UN peacekeeping contingents individually.

**\* Government Announces Assistance Plan for UMR**

*95SE0103A Jakarta KOMPAS in Indonesian 11 Jan 95 p 13*

[FBIS Translated Text] Jakarta, KOMPAS—President Suharto has stated that the government will help companies, which for a number of very convincing reasons, are not able to implement the regional minimum wage regulation (UMR) on 1 April 1995. For that reason the chief of state has asked the minister of manpower to



supervise the preliminary implementation of the UMR regulation. This was stated by Minister of Manpower Abdul Latief after being received by President Suharto at the Bina Graha offices on 10 January.

The minister of manpower said: "Of course, those companies, which are unable to apply the regulation because of market conditions or certain problems will have to postpone its implementation.

In this connection the government, for example, can audit the company concerned and help it until it is in really healthy condition. The minister of manpower said: "So the government will pay really close attention to ensure that the business world continues to make progress."

However, the minister of manpower declared that until now there has been no data on companies which have gone bankrupt because of increasing wages. He said that if, in fact, there are firms which have gone bankrupt, this is usually the result of poor management.

According to the minister of manpower, four companies have asked for a delay in implementing the UMR. He said that the government has studied the requests but then rejected them. This was because the companies had excessive costs, not because of labor charges but because funds from capital loans assumed by the companies were used for other purposes.

The minister said: "The fact is that I am a former businessman and have had some experience. So I can read a balance sheet and I know about the problems of where the money goes. So they cannot fool me in this way."

However, Latief recalled that President Suharto has given him instructions to consider carefully helping companies which are really trying hard to implement the UMR regulation but have difficulty in doing so. He said: "We are ready to help them and participate in resolving the problems which they have. However, a relative increase in wages is not a large part of their cost structure. I would say that it is about one percent."

When he was asked about the kind of help which could be given by the government, Latief said that this must be looked at on a case by case basis. However, he added that the help provided must be open and aboveboard, particularly in the interests of the workers.

Asked about the problem of invisible costs or illicit tax collections, the minister of manpower hoped that businessmen (not government employees) would have the courage to refuse to pay such illicit taxes. He said, "Two sides are involved in invisible costs. If the businessman does not want to pay them, they cannot be collected."

Furthermore, if there are "invisible transaction costs," the businessman who pays them should have the courage to report them to the minister of manpower. He said that so far such matters have been resolved.

The minister of manpower said: "The business world must have the courage to tell us about such cases and the government officials involved. The businessmen's privacy is guaranteed. When such cases occur, we will take immediate action. So do not just say that there have been illegal tax collections. We cannot do anything about that."

#### Unwritten Agreements

Meanwhile, Alamria Abas, chairman of the North Sumatra Regional Executive Committee of APINDO (Association of Indonesian Businessmen), contacted on 9 January, said that there are unwritten agreements between businessmen—particularly among businesses in the same line of work—not to raise the wages of workers, even though a given company may be making large profits. Such agreements are intended to avoid jealousies between workers and between companies. As a result, the workers see that their salaries remain the same, even though they work for more reliable companies.

According to Alamria, unwritten agreements among businessmen in the same line of business which harm the interests of the workers have recently drawn his attention, both those involving or which are handled through the workers as well as those handled through businessmen who are members of APINDO. However, Alamria was not prepared to give the names of companies which engage in such improper practices.

However, he added, in view of the increasingly firm action by the government to implement the UMR (Regional Minimum Wage), businessmen plan to respect this regulation. Or, in other words, under the UMR regulation, which is planned to be put into effect, a daily wage of 4,200 rupiahs will shortly become the law in North Sumatra. Businessmen will apply this regulation.

Alamria said: "After the UMR is placed into effect, there will be no more negative demands made beyond the standard legislation, for example, creating conflict by asking for salary increases above the UMR level."

#### Outgoing Army Chief Discusses Retirement

*BK1102105495 Jakarta FORUM KEADILAN in Indonesian 16 Feb 95 pp 96-98*

[“Excerpts” of interview by correspondent Tony Hasyim with Army Chief of Staff Wismoyo Arismunandar in Jakarta; date not given]

[FBIS Translated Excerpt] [Hasyim] Are you now active as general chairman of the Indonesian National Sports Committee?

[Arismunandar] Well, not yet. I was elected only yesterday, and I have yet to turn over the post of the army chief of staff to another person.

[Hasyim] When?



[Arismunandar] I don't know. Please don't ask me. Please don't talk about it now. There may be another error. The weekly TIRAS made an error when it wrote about infantry brigades and the Training Command. They did not know anything, but they still wanted to talk. The two units play a very basic role in the development of soldiers, but they said that the units are not useful. You know that the units have just been revived. There will be evaluations and reevaluations if there are mistakes. We can make improvements. Please don't say that the units are not efficient and useful. They had existed before the 1985 reorganization. Following a study, we found out that the infantry brigades and the Training Command were again needed.

[Hasyim] Some, however, believe that the formation of infantry brigades in military regions implies that there will be war in the country.

[Arismunandar] That is not the case. The infantry brigades have been formed for development purposes. There will have to be brigades if there are battalions. Military organizations throughout the world have the same mechanism. The organizational structures are identical. A brigade is higher than a battalion. Who will develop a battalion if there is no brigade? Well, I as army chief of staff was assigned to turn army soldiers into genuine, professional soldiers by going back to basics [preceding three words in English]. An organization needs tangible substructures to become professional. Thus, a person will be considered ignorant of the army if he or she says infantry brigades are not needed. Moreover, the armed forces commander has instructed me to do so. There will be infantry brigades in all military regions.

Thus, the formation of infantry brigades will definitely proceed although I am no longer army chief of staff. Mr. Feisal [commander of the Armed Forces of the Republic of Indonesia] has said that the infantry brigades are needed for the development of army soldiers. To my surprise, some people said they are not. Thus, I advise you as reporters not to write down comments made by a person who is incapable, who has no quality, and who is not in a position to talk about one particular subject. There may be errors. In this case, I am the person who is responsible for the development of army soldiers. I formed the infantry brigades through a process and not on the basis of my own idea. The idea came from all staff members as well as from below. Well, I as the chief of staff made a decision. We revived infantry brigades. In fact, the brigades had existed before 1985. [passage omitted]

[Hasyim] Apparently, you objected to your appointment as general chairman of the Indonesian National Sports Committee yesterday. What are your comments?

[Arismunandar] Who said so? I have said that I am ready to be assigned anywhere to serve the nation. I am even ready to die for the nation. You must understand me. I have said this everywhere. Why did I agree to assume the

leadership of the Indonesian National Sports Committee? Because I feel that I am capable of working there. I am not arrogant or ... [changes thought]. I feel that I will be able to work there following my retirement from the army, and I also want to contribute to the development of our sports. If I feel that I am not capable of assuming a post or I am doubtful about it, I will turn it down right away. I will be irresponsible if I accept the post though I know I am not capable of assuming or fit for the post. Why should I accept it? I will become irresponsible.

[Hasyim] Why did you turn down an offer to become ambassador?

[Arismunandar] [Laughter] I rejected the offer out of my responsibility. I will definitely reject a post if I feel that I am not capable. The results will not be good. I must be responsible for the post. Let me give you an example. They offer you the chairmanship of the Indonesian Journalists Association. You must turn down the offer if you feel that you are not capable of taking up the post. Don't just accept it. You will become irresponsible. [passage omitted]

#### East Timor Regional Police Arrest 12 'Ninjas'

BK1502140395 Jakarta KOMPAS in Indonesian 15 Feb 95 pp 1, 13

[FBIS Translated Text] Dili, KOMPAS—Authorities in East Timor have arrested 12 persons suspected of being coordinators fomenting the "ninja" issue in Dili recently. The East Timor Regional Police are currently detaining them for further legal action to be taken against them, particularly those who carried out torture and destroyed private property.

Pol. Col. [Police Colonel] (Drs. [academic title] Sugianto S. Andreas, the East Timor Regional Police chief said: "They were caught while they were carrying out torture and destroying people's property." Contacted by KOMPAS yesterday, Drs. Sugianto, who led the joint team with 164/WD Military Resort Commander, Col. (Infantry) Kiki Syahnakri to apprehend the "ninjas", confirmed the arrests.

Those who were captured were: Carlepo Breok, Octavianus alias Anus, Antonio Caemaluk, Matheus, Claudio Filipe, Ximplesio da Casembo, Apollo Mario Alves, Alves, Joao Batista, Manuel and Francisco Marthins. Breok and Octavianus were said to be the masterminds of the group. They were said to have carried out tortures including cutting off a person's ears recently.

During investigations by regional police, they admitted that they have been active in spreading news that stated that the "ninjas" were security personnel. This was aimed at tarnishing ABRI's image and gaining public sympathy. In their confession, they also said that they were a part of a clandestine group responsible for creating frequent unrest in Dili.



Sugianto said: "Thus, with this confession, the public should not harbor any ill-feeling against ABRI." It can be determined as to who had conducted torture and the destruction of private property while deliberately spreading rumors on the ninja issue.

Meanwhile, speaking to reporters after briefing Parliamentary Commission I in Jakarta on Tuesday Izhar Ibrahim, the director general of politics in the Foreign Ministry said that when the Indonesian Government took a firm attitude in solving the Liquisa incident where several East Timorese were killed on 12 January 1995, its position was strengthened internationally.

He said what was meant by firm attitude was that the government will deal the issue in accordance with existing laws.

He said: "But if we try to cover up the issue, then the international community will never accept the explanation."

Continuing, Izhar said what was certain was that the Indonesian Government will never accept any accusation that it had deliberately violated human rights in East Timor. He added: "If there was any violation, then it could have been carried out by an official. We are investigating now. If he is found guilty, then the official will be punished. If he is innocent, then we will definitely state that we have not violated any regulations."

Meanwhile, speaking when contacted on Tuesday Brig.Gen. [Brigadier General] Syarwan Hamid, the head of the ABRI's Information Department said he was still uncertain if the ABRI team from the military headquarters, which was in East Timor since 7 February, had returned to Jakarta. He said: "Even if they had returned, time is still needed to provide a written report to the Armed Forces Chief."

He added that until now, the ABRI Military Headquarters team, headed by Brig. Gen. Sumarna T., the ABRI's Intelligence Operations leader, had not drawn up any time-frame for the report to be handed in. The one-star general said: "It is certain that they will present the report immediately. But it is expected that they have not yet met the Armed Forces Chief due to his heavy schedule today (Tuesday).

After the completion of the report, concrete and expeditious action is expected to be taken, including the need to establish a DKM [Military Honorary Council] or otherwise, as directed by the Armed Forces Chief to the Army Chief of Staff.

## Laos

### Reportage on President's Thai Visit

#### Welcomed by King 14 Feb

*BK1502151795 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 15 Feb 95*

[FBIS Translated Text] At 1330 yesterday, His Excellency [H.E.] Nhouhak Phoumsavan, president of the Lao

People's Democratic Republic [LPDR], his wife, and delegation arrived at Don Muang Airport, the Kingdom of Thailand. Upon their arrival, they were honorably welcomed by His Majesty King Phumiphon Adunyadet and Her Royal Highness [HRH] Princess Maha Chakkri Sirinthon. At the airport, His Majesty the King of the Kingdom of Thailand led H.E. the LPDR President to a platform to pay respects to the national flags while the Lao and Thai national anthems were played by the Thai military band. The playing of the national anthems was followed by the 21-gun salute. Later, His Majesty the King of Thailand led H.E. President Nhouhak Phoumsavan to review the guard of honor. His Majesty the King and H.E. the President then went to the Reception Hall of the Thai Air Force Aviation to allow privy councillors, cabinet members, members of the parliament, high-ranking officers, members of diplomatic corps, and representatives of various international organizations to Thailand to present themselves.

At 1410, H.E. Nhouhak Phoumsavan, together with his wife and delegation, proceeded to the permanent pavilion of the Bangkok Metropolis where he was presented with the key to the city by the Bangkok Metropolitan Governor. After the key presentation ceremony, His Majesty the King led H.E. the President and his wife to their residence at the Boromphiman Throne-Hall in the Grand Palace compound. Afterward, His Majesty the King and HRH Princess Maha Chakkri Sirinthon bade farewell to H.E. the President and his wife.

Later, at 1700, H.E. President Nhouhak Phoumsavan and his wife were granted an audience with Their Majesty the King and Queen at the Dusit Palace. At 2000, H.E. Nhouhak Phoumsavan, wife, and delegation attended a banquet hosted in their honor at the Chakkri Throne-Hall by His Majesty the King. After the banquet, they also witnessed artistic performances in front of the Throne-Hall.

Today's itinerary of H.E. President Nhouhak Phoumsavan are as follows: Receiving H.E. Prime Minister Chuan Likphai at the Boromphiman Throne-Hall residence at 0800; traveling to Khao Hin Son in Phanon Sarakham District, Chachoengsao Province, at 0830 to view royalty-initiated projects; meeting with Lao residents and students at the new premise of the Lao Embassy at 1730. He will later proceed to the Government House to attend a soiree and banquet to be held in honor of him and his wife by H.E. Prime Minister Chuan Likphai at the Thai Khufa Building.

#### Attends Royal Dinner 15 Feb

*BK1602070995 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 16 Feb 95*

[FBIS Translated Text] His Majesty King Phumiphon Adunyadet of the Kingdom of Thailand and her majesty the queen hosted a dinner banquet in honor of His Excellency [H.E.] Nhouhak Phoumsavan, president of the



Lao People's Democratic Republic [LPDR], and his wife at 2000 on 14 February at the Chakkri Maha Prasat Throne Hall in Bangkok.

Attending the banquet on the Lao side were H.E. Foreign Minister Somsavat Lengsavat and his wife; H.E. Soulivong Dalavong, minister of industry and handicrafts; H.E. Thongdam Chanthaphon, minister and head of the Presidential Office; Brigadier General Douangchai Phisit, deputy chief of the General Staff Department of the Lao People's Army; and Bounkeut Sangsomsak, ambassador extraordinary and plenipotentiary of the LPDR to the Kingdom of Thailand, and his wife. On the Thai side were H.E. Prime Minister Chuan Likphai, members of the cabinet, and several high-ranking officials. Members of the diplomatic corps in Thailand also attended the reception.

The banquet was permeated with an atmosphere of warm friendship from beginning to end. After the banquet, the guests were treated to a performance by Thai classical art troupes on the lawn of the Throne Hall.

H.E. Prime Minister Chuan Likphai paid a courtesy call on H.E. President Nhouhak Phoumsavan at 0800 on 15 February at the Barom Phiman Throne Hall, the official guest house for our Lao delegation. During the call, H.E. President Nhouhak Phoumsavan expressed satisfaction with his visit to Thailand to express the time-honored friendly relations between the two countries and peoples of Laos and Thailand.

At 1000, H.E. President Phoumsavan and his entourage visited the royally-initiated development study center at Khao Hinson in Chacheongsao Province.

At 1700, H.E. President Nhouhak Phoumsavan visited the Lao Embassy in Bangkok to chat with embassy staff members and Lao students attending school in Thailand.

At 1900, H.E. Prime Minister Chuan Likphai hosted a reception in honor of H.E. President Nhouhak Phoumsavan and his wife in the Santi Maitri Building at the Government House.

## Philippines

### Editorial Urges Demilitarization of Spratlys

BK1602051495 Manila THE MANILA CHRONICLE  
in English 11 Feb 95 p 11

[Editorial: "Demilitarize Spratlys"]

[FBIS Transcribed Text] The government did correctly in disclosing Chinese encroachments in what is rightly part of Philippine territory in the Spratlys. In so doing, the Philippines shows to China and the world that it shall not tolerate any intrusions upon its territory or any act, such as the Chinese Navy's illegal detention of Filipino fishermen in the Spratlys, that diminishes its sovereignty.

As the country with the weakest defense capability among the claimants to the Spratlys (that is, except for Brunei which has no force to back up its claim), the Philippines had been expected to keep mum over the issue, since it would be to its utmost embarrassment to admit it had not been able to forestall foreign intrusions into territories it claims it owns.

But the Philippines, armed with the Manila Declaration signed by Asean and China that calls for a peaceful solution of the Spratlys' dispute and with a little spunk, blew the whistle on the Chinese. The act is expected to force other claimants to the islands to resist Chinese Navy expansion in the islands which, while widely admitted in the intelligence community, has been neither denied nor confirmed in Asean circles.

The move also impresses upon the region that the Spratlys remains a flashpoint that should be eased by concrete measures toward amity and cooperation.

The 33 tiny islets that make up the Spratly island group on the South China Sea are hardly fit for habitation, but overlapping claims over the islands could ignite a conflict more violent than the old Cold-War battles in Indochina.

Growing economic competition for food and energy sources are pushing Asian countries to seek ways to extend their power beyond their territorial waters. This explains the fierce rivalry for what are little more than atolls and shoals in the Spratlys.

The island group is believed to hold rich fishery resources around its water as well as substantial deposits of petroleum and natural gas on the surrounding continental shelf.

Their strategic importance is an interesting facet of World War II history. The waters are a nightmare to navigate and once provided an excellent haven for the Japanese Navy which used one of the atolls as a base.

According to a Philippine Government report prepared in 1982, "A hostile nation can station Polaris-type missile submarines in the islands and control a theater with a radius of 4,000 km., containing a third of the world's population."

The islands also lie near shipping lanes that carry supplies of oil from the Persian Gulf to Japan and other Asian nations. Whoever is in possession of them could control the main maritime passage between the Indian and Pacific Oceans, experts say.

The potential for conflict is real, according to military experts who fear that with the winding down of the Indochina conflict, political tensions could easily shift to the South China Sea.

The islands have had a history of conflict. In 1983, Malaysia landed troops and naval personnel on the Layang-Layang atoll disregarding protests from littoral



states. China followed in March 1988, forcibly ejecting Vietnamese forces from seven of the islands.

In April 1988, the arrest of 49 Filipino fishermen by Malaysian naval gunboats sparked off a diplomatic row between the two Association of Southeast Asian Nations (Asean) states. Manila dispatched additional troops and artillery to the atolls it claimed.

Taiwan has held some of the islands since 1956. Even tiny Brunei has declared its claim to one of the atolls though it has no military muscle to back its claim.

With the renewed tension in the Spratlys, Manila should more aggressively push for concrete measures to realize the Manila Declaration. It should also follow through its diplomatic initiative, made during President Ramos's state visit of Vietnam last year, to "demilitarize" the Spratlys.

#### **De Villa Says 'No Risk of War' on Spratlys**

*BK1602113595 Manila BUSINESS WORLD in English  
14 Feb 95 pp 1, 6*

[Report by Sandra S. Aguinaldo, Myra V. Lopez, and Marvin A. Tort]

[FBIS Transcribed Text] "There is no risk of war in the South China Sea," Defense Secretary Renato De Villa assured senators yesterday in a Senate committee hearing on foreign affairs.

However, he added the armed forces "has the complete resolve to defend the integrity of our national territory" even as it lacks adequate military equipments to face its foreign aggressors.

In reaction to the "peaceful and diplomatic solutions" being pursued by the government to settle the problem, committee chairman Sen. [Senator] Blas Ople said the Senate stands in solidarity with the leadership of the president on the Spratlys issue. But he prodded the Executive to "draw the line" in asserting its claim over the Kalayaan territory invaded by the Chinese which constitutes a form of aggression.

"The crisis boils down to a test of the national will and the preparedness of the nation to defend itself against foreign aggression," Mr. Ople said.

While commending government's policy to avoid war, he pointed out it should not prevent them from ruling out an effective military option.

Mr. Ople said the Senate declined the request of Malacanang to reschedule yesterday's public hearing to give way to the 16 February National Security Council meeting.

The Senate's advice and consent are necessary in "matters of grave importance," he explained, even when the responsibility over foreign policy and national security rests on the president.

He said the hearing was already postponed for a week at the request of the defense department, and the public has a right to the information revolving around the issue that will seriously affect them "in times of national peril."

But the hearing failed to tackle relevant issues as security and contingency actions, prompting the committee to set an executive hearing for 16 February for a more extensive coverage of the topic.

This closed-door session will also take up the 1951 Mutual Defense Treaty of the Philippines with the United States which had remained noncommittal in giving military support to the country in case of a confrontation with the People's Republic of China, Mr. Ople said.

One camp had it that the Americans are only obliged to help when the contingency pertains to the "metropolitan territories" of the country as stipulated in the Treaty of Paris of 1899. Other experts pointed out that this interpretation will only include those territories covered by the Philippine Constitution of 1935.

AFP [Armed Forces of the Philippines] Vice Chief of Staff Lt. Gen. Alfredo Filler said, "The military option is not being contemplated at this time ... A national consensus has not been reached as of now on the appropriate diplomatic and political response."

"The focus of our attention is to monitor what is happening in the area which is of interest and which has national security implications. We will provide the information to our policy planners and policy analysts because they are the ones who will make the decision," he added.

Gen. Filler, who was also present during the Senate hearing, said suggestions from senators on which forum the issue should be taken up vary from United Nations Security Council to ASEAN (Association of Southeast Asian Nations) Regional Forum and the International Court of Justice. "These are possibilities or options we will have to explore fully" he said.

As of yesterday, the three remaining vessels carrying the flag of People's Republic of China (PRC) were still within the country's 200-nautical mile exclusive economic zone. The Western Command said patrol operations done by the BRP Iloilo and the Air Force planes flying the area are ongoing as local fishermen went back to business in the vicinity of the reef.

Gen. Filler admitted the Philippines is not capable of a 24-hour surveillance in the absence of modern military equipment and facilities. He added the AFP only conducts periodic check up of the islands because "there is no danger in the area" as it is only a matter of "seeing what is developing" there.

Meanwhile, acting Justice Secretary Demetrio Demetria has ordered the reinvestigation of dismissed smuggling



charges against 33 Chinese nationals caught last year in the coastal waters of Bataan.

Mr. Demetria said he was told during a recent Cabinet meeting to review the charges after the National Committee on Illegal Entrants last Friday barred the Chinese nationals' release.

The Chinese nationals will remain in detention pending the review of charges against them.

The acting justice secretary declined to comment on whether the detained foreigners are being used as bargaining chips in the brewing controversy regarding Mischief Reef.

Reevaluation of the charges (smuggling, illegal entry, and illegal possession of firearms), which were earlier dismissed by State Prosecutor Pablo Fomaran III, may take two months, he added.

### **'Hard-Headed Realism' Urged on Spratlys Issue**

*BK1602130095 Quezon City MALAYA in English 14 Feb 95 p 4*

[Editorial: "With Eyes Wide Open"]

[FBIS Transcribed Text] So the Chinese naval flotilla has partially pulled out from Panganiban Reef. That, according to defense and security officials, should reduce tension in the area.

A notch or two perhaps, but the two warships and a civilian vessel remaining in the area should not delude us into believing the Chinese are through with us. Likewise, those four structures built on stilts that Beijing (who're they kidding?) says are meant to serve as haven for Chinese fishermen during bad weather.

We are in the middle of a classic territorial dispute. We say the Kalayaan Islands are ours. Beijing and also Taipei say it's theirs. Vietnam and Malaysia have also staked their claims, matched with occupation of parts of the disputed territory. Brunei is the lone partial claimant which has no military presence in that middle of nowhere.

The government has decided on a diplomatic approach. It is the right approach for lack of anything else with which to confront the Chinese presence in Kalayaan. But we have to approach the issue with hard-headed realism.

First, it should be made clear this dispute has nothing to do with the 200-mile exclusive economic zone under the UN Conference on the Law of the Seas [UNCLOS]. The Philippines made the Kalayaan Islands a part of the national territory when it created that municipality in 1978. The claim of the Chinese, and every other claimant for that matter, is that the islands are also part of their territory. So the dispute settlement mechanism under the UNCLOS on overlapping exclusive economic zones does not apply.

Second, the Manila Declaration of 1992 is purely that: a call by the Association of Southeast Asian Nations for peaceful settlement of the dispute among the claimants. Three ASEAN nations, the Philippines, Brunei, and Malaysia, are parties to the dispute. Vietnam is coming on board this year as a full member, but Beijing and Taiwan had no part in the drafting of that declaration and are not bound by it.

Third, government should not clutch at straws like that laughable assertion of a National Security Council staffer that the intrusions could be the handiwork of some low-level fisheries officials in Hainan Island, site of the southernmost naval base of China. Modern China has a long history of territorial disputes and, correspondingly, that much experience in protecting its claims, not the least through military actions. Three post-1949 armed actions come easily to mind: The war with India in the Himalayas in the early 1960s, the large-scale fighting with the Russians in the Ussuri River in the mid-1960s, and the border war with Vietnam in 1979.

This is not to say that Beijing is a rapacious grabber of territories or a duplicitous negotiator. The point is that Beijing is among the most accomplished in the twin use of diplomacy and force in the assertion of its sovereignty and protection of its territory.

Forewarned, the Philippines should pursue its avowed "quiet diplomacy" with eyes wide open.

### **AFP Sending Additional Forces to Spratlys**

#### **Defense Department Ready**

*BK1602034895 Manila BUSINESS WORLD in English 13 Feb 95 pp 1, 10*

[Report by Sandra S. Aguinaldo and Paul N. Villegas]

[FBIS Transcribed Excerpt] Despite the pullout of almost all Chinese warships from the country's territorial waters west of Palawan, the defense department is set to send a team of highly trained soldiers from the Philippine Marines to Kalayaan Group of Islands, a ranking military official said yesterday [12 February].

This developed even as military officials expressed dissatisfaction over the withdrawal of six of the eight navy ships of the People's Republic of China (PROC) stationed within the country's 200-mile exclusive economic zone (EEZ).

A military official who requested anonymity yesterday confirmed reports the Armed Forces of the Philippines [AFP] has received a formal request from the Department of National Defense (DND) for the deployment of additional troops to the country's claims in the Spratlys, particularly in Pag-asa where the military is maintaining an outpost.



**RESPONSE**

The move is in response to President Ramos's call for the AFP to strengthen its presence in the area after confirmed reports revealed Mischief Reef, located 130 nautical miles from Palawan, had been occupied by the Chinese Navy.

The military official, however declined to reveal the exact strength of the military contingent scheduled to leave for Kalayaan, saying it might negatively affect AFP's plans to secure the country's claims and assert rights over Mischief Reef and Mischief Shoal. The size of troops to be deployed will gradually increase or decrease depending on the situation, he said.

At present, the AFP is maintaining "a very small detachment" in Pag-asa, said Defense Secretary Renato de Villa, adding only naval construction elements are on the island.

**SURVEILLANCE**

AFP Chief of Staff General Arturo Enrile said the government will continue its monitoring by aerial and island-to-island patrolling because of the presence of three other Chinese vessels. Reports reaching the military headquarters in Camp Aguinaldo said only two medium-sized vessels with a small civilian-looking boat have remained in the southwestern part of the reef. The same reports said Chinese warships have not been sighted in the area since yesterday.

The military is convinced the situation in the vicinity of Mischief Reef is not any better today despite the significant decrease in strength of Chinese forces. "They (Chinese) have not equally addressed the situation. We call for total withdrawal. What they did is not good enough," one ranking official said adding the Philippines cannot really be secured unless Chinese ships have been totally removed.

Military analysts noted China merely reduced the uproar over its presence in the reef without really addressing the conflict created by its alleged violation of the 1992 Manila declaration on overlapping EEZ. They said China has removed most of its ships and left behind three others which can be expected to remain in the area until the Philippines can pressure the socialist country through diplomatic means.

Analysts also said PRC is employing the old Chinese tactic of "taking one step backward and two steps forward" saying the possibility of the return remains strong in the absence of a commitment from China responding to the government's diplomatic protests over their alleged intrusion. [passage omitted]

Meanwhile, the [Chinese] embassy continues to refrain from making any comments on the reported presence of Chinese military facilities in the Panganiban Reef close to the Kalayaan Islands.

"We are dealing with this on a diplomatic level," a source from the embassy who requested anonymity said. "Those structures were built to aid the Chinese fishermen in that area," the source said, echoing an earlier statement made by the Chinese foreign ministry when it described the four clusters spotted by a reconnaissance team of the Department of National Defense.

Although the tension in the disputed area seems to have subsided with the reported pull out of six Chinese naval vessels, diplomatic maneuvering are still being taken to prevent the situation from escalating further.

"While the situation remains stable, there is still much diplomatic work to be done. This we are doing with due regard to our interest and the concerns of all the nations that are interested in the peace and stability of the region," Foreign Affairs Secretary Roberto Romulo said over the weekend.

"The Chinese act is a serious new event. Vietnam opposes every action of expanding encroachment, further complicating the situation in the Spratly archipelago, going counter to the trend of peace, stability and cooperative development in the region," a statement from Vietnam's foreign ministry said.

Even the United States, which has a mutual defense treaty with the Philippines, voiced concern over the current situation, stressing that differences between Manila and Beijing should be handled on a diplomatic level.

"The United States government wants the parties concerned to address this problem through diplomatic channels," US embassy spokesperson Jim Nealon said.

With Mr. Romulo declaring that "aggression is not an option" being considered by both sides in finding a solution to the diplomatic mess both have figured into at the moment, government is hoping that diplomacy would find a solution to the predicament Manila and Beijing are entwined into.

"At this point there is some agreement between us and China," Mr. Romulo said.

**Ramos Orders Reinforcements**

*BK1602015895 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 15 Feb 95*

[FBIS Translated Excerpt] [Passage omitted] [Begin Alex Tinsay recording] To show the determination of the Ramos Government, President Ramos ordered the strengthening of AFP [Armed Forces of the Philippines] troops in the Kalayaan Islands. Included in the directive released by the president in a special meeting of the National Security Council in Malacanang is the sending of additional two patrol ships, the strengthening of the Philippine military garrison, and an increase in the number of reconnaissance flights over the islands. Earlier, Ramos stressed that the presence of Chinese warships can be considered as an invasion by the Chinese forces. [passage omitted]



Aside from the Navy patrol boats stationed in Palawan, which is 135 nautical miles away from the Kalayaan Islands, the AFP has F-5 fighter planes and several C130 cargo planes that could transport marine reinforcements stationed on Pag-asa Island in 45 minutes. [passage omitted]

#### **Patrol Boat to Mischief Reef**

*BK1602153695 Quezon City GMA-7 Radio-Television Arts Network in English 1400 GMT 16 Feb 95*

[FBIS Transcribed Text] Another Philippine Navy fast patrol boat is on its way to Mischief Reef or Panganiban Reef, as it is called by the Philippines. We claimed the reef as well as 52 other shoals and islands in the disputed Spratlys as our own.

The Chinese have built structures on Mischief Reef, and several of its sea-going vessels, warships included, are in the vicinity of the reef. The Philippines has protested the intrusion. But China maintains that the structures it has built on the reef is intended to shelter its fishermen against inclement weather. But the fact remains that the Spratlys are keen to the exploitation of rich mineral sources in the South China seabed and many countries—China, the Philippines included—are laying claims to the Spratlys in whole or in part.

There are at least five Chinese ships, three of them warships, still on the Mischief Reef area. President Ramos ordered the military to increase its presence in the area. The Philippines has a fast patrol boat and another seacraft shadowing the Chinese vessels.

Since the incident started, President Ramos has called on all parties concerned to settle the issue through peaceful dialogue. And during last night's banquet honoring Singaporean President Ong Teng Cheong, the Singapore official said the question can be settled if ASEAN presents a united front against aggression.

[Begin Ramos recording in English] We want to see the countries of East Asia as a region and bilaterally with each other developing specific measures to build confidence and trust between themselves and among themselves so that peace, stability, cooperation, and progress will at last prevail and endure. [end recording]

#### **NSC Backs Ramos on Spratlys Security Measures**

*BK1502122295 Quezon City PTV-4 Television Network in Tagalog 1000 GMT 15 Feb 95*

[FBIS Translated Text] The National Security Council [NSC] today approved actions that the government will take to ensure the country's safety against any foreign force, including the position that the Ramos government will insist on in the Spratly issue.

The issue on the tension occurring in the Spratlys was the leading subject discussed during the National Security Council meeting this morning. Here is Marielle Gaceta for a detailed report:

[Begin recording] [Gaceta] The Philippines will add troops in its detachments in the Kalayaan Group of islands in conjunction with the approval to strengthen the country's naval presence and closer monitoring or surveillance of the Panganiban Reef.

This was President Ramos's order to the Department of National Defense during the fifth meeting of the National Security Council this morning in Malacanang [presidential office].

The meeting lasted almost 3 hours, discussing steps the country would take to resolve the tension in the South China Sea attributed to the recent intrusion of Chinese vessels and construction of various structures on Panganiban Mischief Reefs.

[Senator Leticia Ramos Shahani, in English] We talked about ways and means of enforcing our presence there without causing undue tension in the region. And so, several opinions were put out. We said that the passage of the modernization of the [AFP] Armed Forces of the Philippines should be done. Drawing the baselines of the archipelago is also important.

[Gaceta] According to Senator Blas Ople, Senate Foreign Relations Committee chairman, House Speaker Jose De Venecia proposed that the government buy from China the structures it constructed on the reef.

[Unidentified government official] The important thing is that they are ours.

[Unidentified correspondent] So, are we going to buy the structures that they built?

[Unidentified government official] I hope they will just give them to us.

[Gaceta] The area under discussion is within the 200-mile exclusive economic zone of the Philippines and is part of the Spratlys, which are claimed not only by the Philippines and China but by Taiwan, Vietnam, Malaysia, and Brunei Darussalam.

Ople added that high-level talks are continuing between the Philippines and the United States on the possible application of the Mutual Defense Treaty [MDT] provision that calls for the United States to defend the Philippines in case the situation worsens.

[Ople, in English] As you know, the Senate will hold an executive session of the Committee on Foreign Relations to hear the testimony of Secretaries Romulo and De Villa concerning this, because there seems to be no unanimity about the applicability of the MDT to the Spratly archipelago.

[Unidentified correspondent, in English] But based on your review of the provisions of the MDT, will it apply?

[Ople, in English] I believe it applies.



[Gaceta] It has been agreed, however, at the council meeting that the Philippine Government will use all diplomatic ways to solve the crisis.

According to Foreign Affairs Secretary Roberto Romulo, the military alternative is ill-timed, but the principle of defending the sovereignty and territorial integrity of the country is a right that the government will not give up.

[Romulo, in English] Self-defense is an inherent right, if not, ...in fact a sovereign right of every country. So, nobody's ever said that the military option was not there. But in the context of the Manila Declaration on the South China Sea—and I believe all of us still continue to agree to those principles—we are trying to exercise restraint. So, unlawful resort to force is something that we believe is not part of the script on all sides.

[Gaceta] President Ramos also proposed to the NSC that each of the islands in the South China Sea should be placed under the stewardship or primary responsibility of the claimant country closest to it. Romulo clarified what it means.

[Romulo, in English] In a caretaker, basically means that though it would not necessarily negate the right of anyone who's claiming something to that, it will just be taking care of it in the meantime. [sentence as heard]

[Inaudible question from unidentified correspondent]

[Romulo, in English] It would certainly mean occupying that island. But you know, we don't believe troops would be the appropriate course of action in there because we would like them to demilitarize also.

[Gaceta] It was agreed at the NSC meeting that the problem in the South China Sea, particularly the recent incident on Panganiban Reef, has wide-ranging implications in the security and stability in the region, not only between the Philippines and China or with the claimant nations.

The Philippines position is firm that China's action violated international law and the 1992 Manila Declaration.

Meanwhile, the government will continue to push the proposal to demilitarize the Spratlys, a complete stop to destabilizing activities there, and the start of cooperative ventures to develop the disputed area. [end recording]

### **Beijing Extends Envoy's Term To Defuse Crisis**

*BK1602115795 Hong Kong AFP in English 1138 GMT 16 Feb 95*

[FBIS Transcribed Text] MANILA, Feb 16 (AFP)—The Philippine Senate Thursday passed a long-awaited bill to modernize the country's armed forces, a move hastened by Manila's dispute with Beijing over the oil-rich Spratlys chain in the South China Sea.

But the Senate bill only allocated 50 billion pesos (two billion dollars) over the next 10 years for modernizing

the military, considerably less than the 135 billion pesos approved earlier by the House of Representatives.

Senate President Edgardo Angara earlier said approval of the much-delayed bill was partly "in the context of what is happening in the (Spratlys) group," where Manila has protested China's occupation of a Philippine reef.

He also confirmed that Manila had sent a diplomatic protest to Beijing.

Legislators said a reconciled version of the bill will have to be taken up by the next congress in May before President Fidel Ramos signs it.

Meanwhile, foreign office sources said here that China had extended the term of its ambassador to Manila, Huang Guifang, in an effort to defuse the crisis.

"They don't want to exacerbate the situation. They want to make sure there's a two-day dialogue and the person here knows the right players and can go through the back channels," the source, who requested anonymity, said.

Huang's term, which started on March 19, 1991, was to have ended next month. But the source said his tenure was "extended indefinitely" after the dispute erupted last month.

Chinese embassy officials were not immediately available for comment.

On Wednesday, Ramos said Manila would send "a strong diplomatic protest" to China as he ordered the beefing up of Philippine forces in the Spratlys.

Angara also said top officials had told him on Tuesday that the Chinese structure on Mischief Reef was "the foundation for a base of military encampment or naval presence," adding that they considered it "a blatant invasion of our national territory."

The reef stands within the Philippines' 200-kilometer (124-mile) economic zone, he said.

Angara said there was "unanimity" in the government "to protest in the most vehement terms the encroachment on our national territory."

He also said the Philippines would "exhaust all diplomatic, legal and political means" to get the Chinese to withdraw from the reef and would not resort to force.

He said this would include bringing the case before the United Nations, the Association of Southeast Asian Nations (ASEAN) and the World Court.

The Spratlys islands are claimed wholly or partially by Brunei, Malaysia, Vietnam and Taiwan as well as China and the Philippines.

The Philippines is the weakest militarily among the claimants to the Spratlys, lacking missile-armed ships or modern fighter aircraft and Manila openly admits it cannot stand against China's vast military resources.



**Ramos, Singapore Leader Agree To Boost Trade**

*BK1502135895 Quezon City PTV-4 Television Network in Tagalog 1000 GMT 15 Feb 95*

[FBIS Translated Text] President Fidel Ramos and visiting Singaporean President Ong Teng Cheong have agreed to increase bilateral trade.

Ong arrived earlier in Manila, accompanied by a 10-man delegation for a four-day official visit to the country. He was met at the Ninoy Aquino International Airport by Vice President Joseph Estrada, Foreign Affairs Secretary Roberto Romulo, and other high government officials. From the airport, Ong's delegation went to Malacanang, where he was met by Ramos. Ong was given full military honors in Malacanang before the start of his one-on-one meeting with the president.

The two leaders agreed to take steps to increase trade and cooperation. Ong is scheduled to visit Baguio, Cebu, and other places in the Philippines during his stay.

**Ramos Grants Amnesty to 330 Rebels**

*BK1602144995 Manila THE MANILA CHRONICLE in English 14 Feb 95 pp 1, 2*

[FBIS Transcribed Text] President Ramos yesterday handed out certificates of amnesty to 330 former military rebels, Muslim separatists, and communist insurgents.

In an awarding ceremony dubbed "Pagbabalik loob sa Pebrero [Return to society in February]" at the Heroes Hall in Malacanang, President Ramos said the "pagbabalik-loob" should be seen not as a return of rebels to society, but rather as the return of government to the people.

He has also directed Executive Secretary Teofisto Guingona to study the draft memorandum order regarding the benefits for amnesty grantees before the month ends.

He assured that government will take steps to enable guarantees to fully enjoy the legal benefits derived from the amnesty.

Among the notable grantees were Gen. Marcelo Blando, Col. Alexander Noble, and Cagayan Gov. [Governor] Rodolfo Aguinaldo.

All three have been involved in coup attempts against the government of President Corazon Aquino.

Manuel Herrera, chairman of the National Amnesty Commission, said 3,848 applications for amnesty have been filed with the local amnesty boards nationwide. About 75 percent, or 2,858 belong to the CPP-NPA [Communist Party of the Philippines-New People's Army], 6.6 percent or 254 belong to the RAM/ALTAS [Rebolusyonaryong Alyansang Makabayan—Revolutionary Nationalist Alliance/ALTAS—expansion

unknown], and 140 or 3.66 percent are from the MNLF/MILF [Moro National Liberation Front/Moro Islamic Liberation Front].

Herrera said the remaining applications are composed of 266 or 9.46 percent from AFP/PNP [Armed Forces of the Philippines/Philippine National Police] filed under proclamation No. 348 (granting amnesty to military offenders), and 230 or 5.98 percent are still unclassified.

Of the 330,227 are from the CPP-NPA-NDF [National Democratic Front]. Twelve are among those listed as political prisoners.

Herrera said orders to facilitate the release of the 12 were to be issued by the justice department.

"Today's ceremony, together with other developments in the peace process, is proof that we Filipinos retain deep regard for this time-tested method of resolving differences. Kung maipag-papatuloy natin ang ating pakikipag-usap, wala tayong hindi maaabot para sa ating bayan [If we continue with our talks, there is nothing that we cannot achieve for our country]," Mr. Ramos said.

**Thailand**

**Effort To Name WTO Committee Head Examined**

*BK1602070395 Bangkok BANGKOK POST in English 16 Feb 95 p 4*

[Editorial: "The Dilemma Confronting Our New Man at the WTO"]

[FBIS Transcribed Text] It may be premature to assume that a Thai will be elected chairman of the new World Trade Organisation's [WTO] Agriculture Committee, but reports that the European Union is supporting the nomination must make this country the favourite.

But since the actual selection date is still a few days away, this may be an appropriate moment to take stock. It is indeed a last chance. Some highly knowledgeable people have questioned whether Thailand's best interests would be served by being chairman.

The chairmanship of WTO committees is not in fact awarded to countries. It is awarded to individuals. Even if Thailand was the best country to chair the committee, someone else would be elected unless Thailand also had a good candidate. So Thailand's selection would be a reflection of international confidence in the new Thai ambassador to the WTO, Danai Dulalampha, as well as in Thailand.

Mr Danai's selection would be more than prestigious. It would amount to recognition that Thailand has become an important player in international agricultural trade negotiations. It would amount to recognition that Mr Danai is sufficiently skilled and knowledgeable in this area of expertise to be able to hold together discussions in one of the most contentious subjects in the international trading system.



It would vindicate seven years of active Thai participation in the Uruguay Round negotiations on agriculture that a dwindling minority still believe (or try to pretend) is exclusively a quarrel between the United States and European Union.

It would add further justification to the creation and continued existence of the Cairns Group of smaller agricultural exporting countries. The group defied the sceptics and became a genuine third force in the agricultural negotiations. While it advocated liberalisation, it has also been seen as a compromiser. There is some additional justice in Mr Danai's candidature since he was a key Thai official involved in setting up the preparatory meeting in Pattaya in July 1986 that led to the group's formal creation a month later in Cairns, Australia.

And it would be the first time that a national of a developing country is given such a major role in this issue.

Much of that would also be true if one of the reportedly leading rival candidates is picked. They are from Latin American countries, also members of the Cairns Group. Recognition of the role of the Cairns Group and of developing countries underscores one of the most important changes in a trading system that only a decade ago was still considered the rich nations' club.

The question that Thailand has to consider carefully before it is too late is this: Would it be better for this country if Mr Danai were an active negotiator in the WTO Agriculture Committee, or an active but impartial chairman with a more junior Thai official serving as negotiator?

It is interesting to look at the men who chaired the agricultural negotiations for most of the Uruguay Round, when the Americans and Europeans were at each other's throats and when the Cairns Group was trying simultaneously to make them see reason and to beat its own free trade drum.

From early 1987 to the end of 1990, the role was given to Aart de Zeeuw, a highly experienced former official of the Dutch Agriculture Ministry. Holland tends to favour agricultural liberalism, but the European Union tends to be protectionist, and it is the EU that speaks for all its members in trade negotiations. Mr de Zeeuw, himself at heart a liberal, was well-placed to see both sides of the controversy, and to try to achieve compromise.

From early 1991 to mid 1993—virtually the end of the round—the chairmanship was taken over by Arthur Dunkel, at that time director general of the General Agreement on Tariffs and Trade. GATT, now superseded as an international organisation by the WTO, tends to be liberal. Mr Dunkel was formerly a Swiss trade negotiator, representing a country that also tends to be protectionist in agriculture. He, too, was well-placed to

see both sides of the argument, although his clout as GATT director general was also important.

For one week during the ill-fated Uruguay Round ministerial meeting in Brussels in 1990, the chairmanship was handed over to a Swede, Mats Helstrom, then agriculture minister, now Trade Minister. Sweden is generally liberal in trade, but it had been protectionist in agriculture and was undergoing liberalisation around the time of the Brussels meeting. Mr Helstrom therefore also represented a good balance, even though he failed in his task that particular week (through no fault of his own).

So apparently, during the Uruguay Round, only selected Europeans from selected countries were in such a contradictory position that they could be seen as potential architects of compromise.

One could argue that Mr Danai is just as well-placed. During and after the Uruguay Round, and through the Cairns Group, Thailand has adopted an aggressively free trade stance. The main justification is that smaller countries cannot hope to compete with the massive agricultural subsidies of the Americans and Europeans. Therefore it is best to have common rules that contain or stop the subsidy war.

But at the same time, there are always domestic political pressures to protect farmers and guarantee prices. And one of Prime Minister Chuan Likphai's quoted comments in Jakarta last November, when the issue of possible agricultural trade liberalisation within the Asia Pacific Economic Cooperation (APEC) group was raised, was that lowering protection and subsidies would be sensitive for Thailand.

That kind of contradiction would be disastrous if it were to creep into Thailand's negotiating position during any meaningful negotiation. The argument about smaller countries being unable to compete in subsidy wars still holds. The mess that exists in agricultural trade now, and the harm it does to smaller countries is precisely because the rich countries considered agricultural liberalisation to be sensitive.

At this stage it appears unlikely that such discussions will be on the agenda of the WTO's Agriculture Committee over the next few years. Some officials believe that the main agricultural controversies will be debated in the WTO's separate dispute settlement forum. Importantly, it is Australia, the Cairns Group chairman, that has secured the chairmanship of dispute settlement.

The Agriculture Committee's work has not been defined yet, but it could be more technical, monitoring the implementation of the Uruguay Round agreement on agriculture and interpreting its provisions. If that is the case, Thailand may not need Mr Danai as a negotiator in this particular committee. But he could ensure that issues of importance to smaller countries, such as American rice subsidies and the European sugar regime, are not ignored.



At the same time, there is always a need for vigilance. To some extent Thailand's allies in the Cairns Group will also be working in this country's interests. But that will not be enough. Thailand's special interest in rice is not shared among other members; and in some Thai circles there is growing unease about the way the European Union defined its new chicken import quotas and the way the United States and Australia allegedly cornered major shares of those quotas leaving Thai chicken with a smaller volume and higher tariffs.

After five years, agricultural negotiations are due to resume. By then, the Chuan government would have faced an election and Thailand might have a new ambassador to the WTO. By then, in any case, a new committee chairman would have been elected. And most definitely by then, Thailand would need a strong negotiator.

#### **Deputy Foreign Minister Summons Burmese Official**

##### **Warned on Territory Violations**

*BK1602033795 Bangkok Radio Thailand Network in Thai 0000 GMT 16 Feb 95*

[FBIS Translated Text] Deputy Foreign Minister Surin Phitsuwan reported on his meeting with Burmese Ambassador to Thailand U Tin Win yesterday.

Surin said he called in the Burmese envoy to warn Burma against an act that would violate Thailand's sovereignty over its territory, which would have an impact on Thai citizens and officials. If Burma does not prevent these acts, Thailand will no longer remain inactive towards such incidents. Burma must think about the problem that Thailand is facing regarding its relations with Burma. Burma must also understand that such an ongoing problem is unacceptable for Thailand. If Burma does not stop causing problems involving Thai territory, Thailand cannot guarantee what will happen to the relations between the two countries in the future.

The Burmese ambassador pledged to inform the Burmese Government of the Thai warning. In addition, the Burmese envoy said he knew full well that the matter was being followed closely by the world community.

##### **Warned About Karen Abductions**

*BK1602074595 Bangkok THE NATION in English 16 Feb 95 pp A1, A4*

[FBIS Transcribed Text] Thailand yesterday issued a stern warning to Burma over last week's abduction of Karen guerrilla leaders from a refugee camp in Tak province and threatened to retaliate if there are any more incursions into Thai territory.

Burmese Ambassador U Tin Winn was yesterday summoned to the Foreign Ministry and told by acting

minister Surin Phitsuwan that the government considers the kidnapping "unacceptable" and a violation of Thai sovereignty.

The warning comes amid signs of increasing defiance by Burmese troops based along the border, some of whom have threatened to fire into Thai territory if Thailand does not prevent Karen units from moving back and forth across the border.

Surin said Thailand was ready to do whatever it could to help end the conflict between the Burmese junta—the State Law and Order Restoration Council (Slorc)—and the Karen National Union (KNU), but both sides would first need to contact the government and indicate what kind of assistance Thailand can provide.

"Thailand does not want this violation of its territory to affect bilateral ties but we will not stand idly by if other incursions occur," Surin warned.

"Burma should not (do anything to) destroy the good atmosphere that is developing between Asean and itself," he added.

Surin's summons to the Burmese envoy was in reaction to the abduction last Thursday of three Karen guerrilla leaders from a refugee camp at Ban Bae Krao in Tak's Tha Song Yang district. The three were picked up by members of a Karen splinter group—the Democratic Kayin [Karen] Buddhist Army (DKBA)—who illegally crossed the Moei River into Thailand.

The DKBA broke away from the Karen National Union (KNU) last December and has since allied itself with the Slorc.

"The refugees were forced to flee to Thailand by the internal wars (in Burma). We didn't invite them to come here but we have a duty to ensure their safety until such time as the situation in their homeland returns to normal," Surin told reporters yesterday.

He said the government considers the Burmese violation of Thai sovereignty as "a very serious action" but will wait and see what effect its warning has on the Rangoon forces before deciding what further measures will be necessary to protect this country's territorial integrity.

"Thailand is ready to use all possible means to help get talks started between Burma's military junta and the Karen as soon as possible," he said.

There has, so far, been no change in a decision taken by the six Asean countries to invite Burma to attend the forthcoming Asean foreign ministers meeting, Surin said, but warned that the Slorc should not do anything to jeopardize "the good atmosphere" that resulted from its attendance at last year's meeting in Bangkok.

Surin told reporters that over the past week, authorities in Bangkok and Rangoon have exchanged about 20 letters on the border situation, with Thailand protesting incursions by Burmese troops and the arrival here of



over 10,000 Karen refugees who fled across the border after the Burmese captured KNU headquarters at Manerplaw, opposite Tha Song Yang district in Tak.

Meanwhile, the Slorc has accused Thailand of assisting the KNU and of obstructing its military operations against the KNU's last remaining stronghold at Kawmura, opposite Mae Sot district and threatened retaliatory action.

"The (Burmese) threat to retaliate by suspending construction of the Thai-Burmese bridge is only one interpretation of the letters. The Burmese ambassador has assured me that this is not in fact the policy of his government," Surin said.

Thai Army officers in Mae Sot said they had received five letters on Tuesday from a Burmese official at the Thai-Burmese coordination unit in Myawadi. The letters, signed by Lt Col Than Zaw commander of the Burmese 356th Light Infantry Battalion, protested what they termed "Thailand's assistance" to Karen guerrillas at Kawmoora and threatened to retaliate by sealing the border until Burmese troops had overrun the Karen stronghold.

The letters urged Thailand to cease all "support" for the KNU and to stop KNU troops from moving back and forth across the border. They also urged Thailand to withdraw all its weaponry, troops, rangers and border patrol police from Ban Wang Kaew and surrounding areas so that Rangoon could launch an all-out attack on Kawmoora.

"If it (the assistance) continues, we (Burmese) will have to seal the border until we capture Kawmoora... and if they (KNU troops) are still permitted to move freely in Thailand, we will have to keep firing on to Thai soil. We will return fire immediately if the Thai military shell us," one of the letters read.

The Thai officers said Rangoon had sent three more battalions and 40 heavy guns to replace and strengthen the estimated 3,000 troops currently engaged in the attack on Kawmoora. Burmese units have been suffering heavy casualties over the last week in a massive, but still fruitless, operation to capture the KNU stronghold.

In Mae Hong Son province, Thai rangers on Saturday sent a note to the DKBA leader and Buddhist monk urging him to stop his men from crossing the Moei River and harassing Karen fugitives in Thai refugee camps: "We will take severe retaliatory action if these territorial violations do not cease," the note read in part.

U Thuzana sent a reply asking the Thai authorities to arrest any of his men caught crossing the border illegally and hand them over to him. He urged Thai officials to stop assisting Christian soldiers in the KNU and to expel them from Thailand.

After the border incursions in Mae Hong Son over the past week, the Army has reinforced units along the

border and stepped up security for the estimated 6,000 refugees who have decided to move five kilometres deeper into Thailand to avoid more harassment by the DKBA.

### **Panel Urges Government To Review Burma Policy**

*BK1602091395 Bangkok THE NATION in English 16 Feb 95 p A4*

[FBIS Transcribed Text] The House committee on foreign affairs will urge the government to review its policies on Burma and also to avoid being influenced by permanent officials in implementing foreign policy, a committee member said yesterday.

Kuthep Saikrachang (Phalang Thamma—Si Sa Ket) said the committee had agreed that its chairman Suthin Noppaket should send a letter to Prime Minister Chuan Likphai through Parliament President Marut Bunnak.

Kuthep said the government's Burma policies should be reviewed because they have not promoted democracy in the neighbouring country. The policies should encourage the Burmese junta to co-exist peacefully with rebel minority groups instead of suppressing them, he added.

The government will also be asked to focus more on the ability of politicians to implement foreign policy and to avoid being influenced by permanent officials.

Kuthep said the National Security Council (NSC) is currently playing an active role in formulating policy on Burma. Permanent officials tend to focus on either safety or economic aspects, and have thus failed to develop a clear policy on human rights.

Committee chairman Suthin (Phalang Tham—Bangkok) said yesterday the foreign minister should play a "leading role" in implementing the government's foreign policy. He added that relevant government agencies should only play supporting roles by providing data and suggestions to the minister.

"The foreign minister is second in importance only to the prime minister. He must be brave in implementing policies that are adopted by the international community," Suthin said.

"He must be free to make decisions and should have clear vision. He should stop being considerate to those agencies which are now weakened by their focus on the seniority system."

### **NSC Head Defends 'Constructive' Burma Policy**

*BK1602090295 Bangkok BANGKOK POST in English 16 Feb 95 p 10*

[FBIS Transcribed Text] Nothing is wrong with Thailand's constructive engagement policy towards Burma because it supports humanitarianism and democracy in that country, National Security Council [NSC] Secretary General Charan Kunlawanit said yesterday.



"We have already told Burma to be 'constructive'—to stop killing, to adopt a humanitarian stand and to become democratic. If things go like that, is there something wrong with the policy that needs to be adjusted?" Gen Charan said.

He was responding to criticism by House Committee for Foreign Affairs chairman Suthin Noppaket and some academics that it may not be appropriate for Thailand to implement the constructive engagement policy towards Rangoon following the Burmese army's offensive against Karen National Union rebels over the past few weeks.

Gen Charan said it is necessary for Thailand to look at its own position when considering any moves concerning Burma.

"Think who we are. We are only their neighbour. What can we do? Tell Burma not to fight? We have already done so," he said.

Gen Charan said Thailand does not want to see war slaughter and persecution in Burma, but turning its back on that country is not possible.

"Who are we to make Burma something we want it to be? Are we their master? We are just Burma's neighbour. Can we order them? If we can't, is that reason enough to turn our back or isolate that country?"

He also warned critics of constructive engagement not to just repeat negative comments made by other countries about Burma.

"Don't we want Burma to be democratic, act humanely and do other nice things? Of course, we want them to do so," he said.

"The word 'constructive' is already clear in itself that it is not about destruction. Speaking, however, can sometimes have destructive results."

Gen Charan said the NSC is open to all comments and criticism about the constructive engagement policy towards Burma but adjustments to that policy by itself may not be possible.

The NSC alone did not draft that policy and thus has no authority to make changes, he said.

According to Gen Charan, the constructive engagement policy was designed by the National Security Council Committee chaired by the Prime Minister. The policy has been handled by the Cabinet, not his agency.

He said he could not speak for Burma on how sincere it was in solving its internal problems, and insisted it would not be easy for a government to rule a country, particularly at suggestions of other nations.

To judge the Burmese Government, one should see whether it has already worked to promote democracy or prosperity among its people.

"But a country cannot become democratic overnight. Releasing Aung San Suu Kyi would help make it become democratic but no significant progress could be expected overnight," Gen Charan said.

Calls by international organisations for Thailand to boycott Burma must also be thoroughly considered as to whether such a thing would really benefit the Burmese people, he said.

Gen Charan declined to comment on whether Mr Suthin's criticism of the policy towards Burma was designed to show he was up-to-date on foreign affairs after losing out to Krasae Chanawong in the race for the post of foreign minister recently.

Dr Krasae, also a PDP [Phalang Tham Party] MP for Bangkok, was selected by the party to fill the vacancy left by the resignation of Thaksin Chinnawat. Mr Suthin happens to be his close rival.

Gen Charan said that as a PDP MP, Mr Suthin could do his duty by proposing to the Government which policy should be adjusted which would work better than speaking through the media.

He said Thai authorities have been checking reports that a group of Karen guerrillas of the newly-formed Democratic Kayin (Karen) Buddhist Army (DKBA) last week intruded four kilometres into Thailand and kidnapped a senior official of the Karen National Union from a refugee camp.

Gen Charan, however, said it might be possible that those Karens were part of the same faction. Those who crossed the border into Thailand might have wanted to persuade the ones who took refuge in Thailand to return home.

He conceded that Thailand's humanitarian assistance given to Karen refugees fleeing the fighting in Burma had somehow caused a conflict between the two countries.

#### **KNU Urges SLORC To Open 'Dialogue'**

*BK1602090895 Bangkok BANGKOK POST in English  
16 Feb 95 p 10*

[FBIS Transcribed Text] The Karen National Union (KNU) remains committed to achieving peace through dialogue with the State Law and Order Restoration Council (SLORC), its members said yesterday.

The KNU Office of the Supreme Headquarters at Kawthulay issued a statement calling on the SLORC and all parties interested in helping to achieve peace in Burma to open "substantive dialogue" rather than announcing a ceasefire.

The statement came as SLORC soldiers continued their offensive against the KNU headquarters on the Thai-Burmese border.



"The real situation is the SLORC apparently does not understand the meaning of dialogue," the statement said.

"It is prepared only to give the appearance of willingness to dialogue and when the other party insists on having its point of view heard, or even items to be put on the agenda, the SLORC backs out."

The statement claimed the SLORC talks had been similar with the New Mon State Party, dissident leader Aung San Suu Kyi and the representative of United Nations Secretary-General Butrus Butrus-Ghali.

According to the statement, the KNU stands by a peace proposal announced in October 1994 outlining the peace process "from military ceasefire and demilitarisation, to democratisation, repatriation and economic reconstruction."

It then also proposed dialogue concerning the possibility of a nationwide ceasefire and a national political settlement.

The statement said: "The SLORC with its superior firepower and the aid of a group of defectors may capture these symbolic strongholds and destroy the KNU's administrative infrastructure."

"But this leaves the SLORC in control of key points and communications and will not mean that the SLORC has control over the countryside. Rather it enlarges the area of Kawthulay in which the SLORC's control is contested by the KNU."

The Burmese Embassy in Bangkok issued a statement claiming about 4,000 members of the KNU who opposed Gen Bo Mya's leadership had left their main armed group and returned to Burma. They are members of the Democratic Kayin [Karen] Buddhist Army (DKBA).

But the KNU claimed only just over 1,000 had left.

### Vietnam

#### Joint Teams Begin Search for 35 U.S. MIA's

*BK1602103995 Hanoi Voice of Vietnam in English  
1000 GMT 16 Feb 95*

[FBIS Transcribed Text] Joint teams of American and Vietnamese specialists planned on Thursday to start investigating the fate of 35 U.S. servicemen unaccounted for in the Vietnam war. Eight teams will spread throughout Vietnam to interview with witnesses and excavate all the battlefields, areas of fights, and areas where U.S. helicopters and airplanes clashed.

This plan of five-week operation will be the 34th in a series that started in September 1988.

### Nguyen Manh Cam Tours Asia-Pacific Region

#### Report on Singapore Visit

*BK1502010095 Hanoi Voice of Vietnam Network in  
Vietnamese 1430 GMT 14 Feb 95*

[FBIS Translated Text] At the invitation of Singapore Foreign Minister Jayakumar, Vietnamese Foreign Minister Nguyen Manh Cam paid an official visit to Singapore from 11 to 13 February.

Singapore Prime Minister Goh Chok Tong and Senior Minister Lee Kuan Yew cordially received Foreign Minister Nguyen Manh Cam.

Foreign Minister Nguyen Manh Cam held talks with Minister Jayakumar. The two sides reviewed the relations between the two countries over the years and noted with pleasure that on the basis of increasingly mutual understanding, Vietnam-Singapore relations have developed very dramatically, especially following the exchanges of visits by the two countries' leaders. Presently, Singapore is one of Vietnam's biggest trading partners and ranks third among over 50 countries investing in Vietnam.

Exchanging views on the orientations and measures to strengthen their bilateral relations, the Singapore side expressed its determination to broaden its all-around cooperation with Vietnam. In the immediate future, it rapidly will begin the construction of a industrial complex; cooperate with Vietnam in the field of building infrastructure facilities, especially shipbuilding and ship repair, electric and electronic industries, and processing industry; share its experience with Vietnam in the areas of finance, banking, and trade where Singapore is strong; and strengthen cooperation in civil aviation and tourism.

The Singapore side is ready to meet Vietnam's demands for cadre training in those areas where it is needed. It will expand the teaching of English for Vietnamese cadres and is ready to transfer its technology and know how for Vietnam in the latter process of industrialization and modernization.

The two sides unanimously felt that Vietnam becoming a full ASEAN member next July will further spur the relations of friendship and all-around cooperation between the two countries and will contribute greatly to consolidating the trend toward regional peace, stability, and cooperation.

All the contacts and talks took place in a cordial atmosphere of mutual understanding.

While in Singapore, Minister Nguyen Manh Cam paid a working visit to the Institute of Policy Studies and met with representatives of a number of Singapore research institutes, met and exchanged views with representatives of many Singapore companies and corporations now involved in investment cooperation in Vietnam, and met the press.



Vietnamese Ambassador to Singapore Nguyen Manh Hung attended all the activities of the Vietnamese delegation.

#### Returns; Briefs on Visit

*BK1502153395 Hanoi VNA in English 1220 GMT 15 Feb 95*

[FBIS Transcribed Text] Hanoi VNA Feb.15—Foreign Minister Nguyen Manh Cam, who has just returned from his official visit to the Philippines, Australia and Singapore, held here yesterday evening a press conference on the results of the trips.

The 11-day trip, Minister Cam said, have helped boost Vietnam's cooperation with the three countries in economic, commercial and scientific fields. He noted that bilateral economic cooperation in recent years has made considerable progress, but this was not yet commensurate with the potential of each side. At the meetings during his trip, Mr. Cam said, Vietnam and each of the countries were of the same views that measures should be taken to further promote the development of bilateral cooperation for the interest of each country, thus contributing to the development and stability in the region.

The Philippines, Australia and Singapore welcomed Vietnam's approval to become a full member of the ASEAN in July this year. He added that Vietnam would attend the ASEAN summit in Bangkok in late 1995 as a full member of ASEAN. He described this as an important event for the development and consolidation of regional peace, stability and cooperation.

Mr. Cam said leaders of these countries spoke highly of Vietnam's achievements in its renovation process.

#### Radio Reviews Tour

*BK1502162295 Hanoi Voice of Vietnam in English 1000 GMT 15 Feb 95*

[Station Commentary]

[FBIS Transcribed Text] Vietnamese Foreign Minister Nguyen Manh Cam has completed a tour of the Philippines, Australia, and Singapore. Our editor highlights the trip.

Mr. Cam's tour of the three countries, which began on 3 February was aimed to strengthen bilateral ties and cooperation. To date, considerable progress has been made, but it is not yet up to the potential of each country. Therefore, Vietnam and the Philippines, Australia, and Singapore have a common wish to further enhance existing ties and cooperation.

In the Philippines, both sides agreed to increase cooperation in agriculture, industry, farm produce processing, aquaculture, cultural exchange, tourism, and the training for managers of small- and medium-sized enterprises. The Philippines is willing to support Vietnam in areas matching its capacity.

In Australia, Prime Minister Paul Keating has asserted determination to further enhance cooperation with Vietnam, particularly in areas of post and telecommunications, energy, infrastructure, water conservancy, personnel training, and the food processing industry. Meanwhile, [words indistinct] he expressed the wish to promote cooperative ties with Vietnam in all fields, first of all, in building industrial complexes, infrastructure projects, ship repair and building, electrical and electronics, and food processing.

He said Singapore was willing to share experience with Vietnam in finance and commercial banking, and to boost cooperation in aviation and tourism. Singapore is ready to help Vietnam in language teaching, transfer of technology and knowledge useful for Vietnam's industrialization and modernization.

It is worth noting that all of the three countries welcomed Vietnam joining ASEAN as official member by July 1995. Vietnam will attend the ASEAN Summit in Bangkok at the end of this year as an official member. The event will be important for peace, stability, and development in the region.

Foreign Minister Cam's visit to the three countries marks further development in relations between Vietnam and each country.

#### Foreign Minister on Diplomatic Role in Economy

*BK1502151995 Ho Chi Minh City in Vietnamese 26 Jan 95 p 2*

[Interview with Nguyen Manh Cam, member of party Political Bureau and minister of foreign affairs, by correspondent Nguyen Hong Mai on "Some Issues of the World Economy and the Role of Diplomacy in Preparing for the Take-off of Our National Economy"; place and date not given]

[FBIS Translated Text] [Nguyen Hong Mai] After four consecutive years of recession, generally speaking, the world economy is recovering and developing well this year with gross domestic product predicted to increase by about 3 percent in 1994 and maybe 3.5 percent in 1995 (it was only 1.1 percent in 1993). Can you offer the readers of the THOI BAO KINH TE SAIGON an explanation on the recovery after the recession?

[Nguyen Manh Cam] It is correct that after 1993, the world economy continued to recover in 1994. This has created the momentum for possibly higher growth in the ensuing years. The recovery is due to a mixture of many reasons. One is that the economic powers have adjusted their economic policies in recent years toward higher growth rates. Another is the high growth levels of East Asian and Southeast Asian countries. Moreover, the economies of the former USSR and East European countries are not in such bad shape as before, and some are even recovering. Besides, the formation of economic



alliances and free trade blocs in different regions, especially the success of the Uruguay Round, has improved trade and business production.

[Nguyen Hong Mai] How does the recovery and development of the world economy affect the Vietnamese economy?

[Nguyen Manh Cam] Positively and negatively. The positive effect is the world and regional economies have created opportunities for us to broaden our trade and improve our investment cooperation. However, when the economy develops, the demand on capital also increases, pushing interest rates and commodity prices higher and competition thereby becoming fiercer. We need to adopt appropriate policies to grasp opportunities, overcome challenges, and obtain a high growth level for our economy.

[Nguyen Hong Mai] In that situation, how can our external activities help prepare our economy for a take off?

[Nguyen Manh Cam] In the current world, no country can hope to solve its problems by its own means. Therefore, when planning strategies for national development and preparing conditions for an economic take-off, we cannot disregard our external relations and its positive and negative effects. From that point of view, external relations is always an integral part of the national development strategy.

[Nguyen Hong Mai] What can diplomatic activities contribute practically to our national industrialization and modernization?

[Nguyen Manh Cam] First, diplomacy must create favorable international and regional conditions to attract more capital and obtain better technology and management experience for our national industrialization and modernization. Then, diplomacy must actively prepare conditions for our admission into international and regional economic and commercial institutions, starting

with ASEAN, the World Trade Organization, and institutions in the Asia-Pacific Region.

The diplomatic sector also undertakes the duty to study different experiences, especially the industrialization of countries with similar conditions as us to help outline our national strategy. It is also entrusted with the duty to seek external resources to develop our manpower and train our cadres for national industrialization and modernization.

[Nguyen Hong Mai] Can you inform our readers about the prioritized directions of our diplomacy for 1995?

[Nguyen Manh Cam] Our fundamental directions have been clearly defined and we have positively and actively implemented them since 1991. We have also recorded very important achievements in those directions. In 1995, we will consistently follow and implement them more thoroughly to transform agreements with other nations, international organizations, and bilateral institutions into material strength for our national construction. We will join ASEAN as a full member and accelerate the admission process into regional institutions such as the Asia Pacific Economic Cooperation, the Pacific Basin Cooperation Council, the Organization for Economic Cooperation in the Asian-Pacific Region, and so forth. We will also approach the World Trade Organization, the predecessor of GATT. Economic cooperation is the priority of our diplomacy.

[Nguyen Hong Mai] In the new year, all magazines of the Saigon Times Group wish you good health and thank you for your congratulatory messages on the third anniversary of the SAIGON TIMES and first anniversary of the SAIGON ECO.

[Nguyen Manh Cam] I was aware of the third anniversary of the SAIGON TIMES and the first anniversary of the SAIGON ECO, which are one of the first English and French magazines on economic issues in Vietnam. On the new year, once again, I congratulate all magazines of the Saigon Times Group and wish all people working for them and their readers in Vietnam and overseas a new year of good health, happiness, and achievement.



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